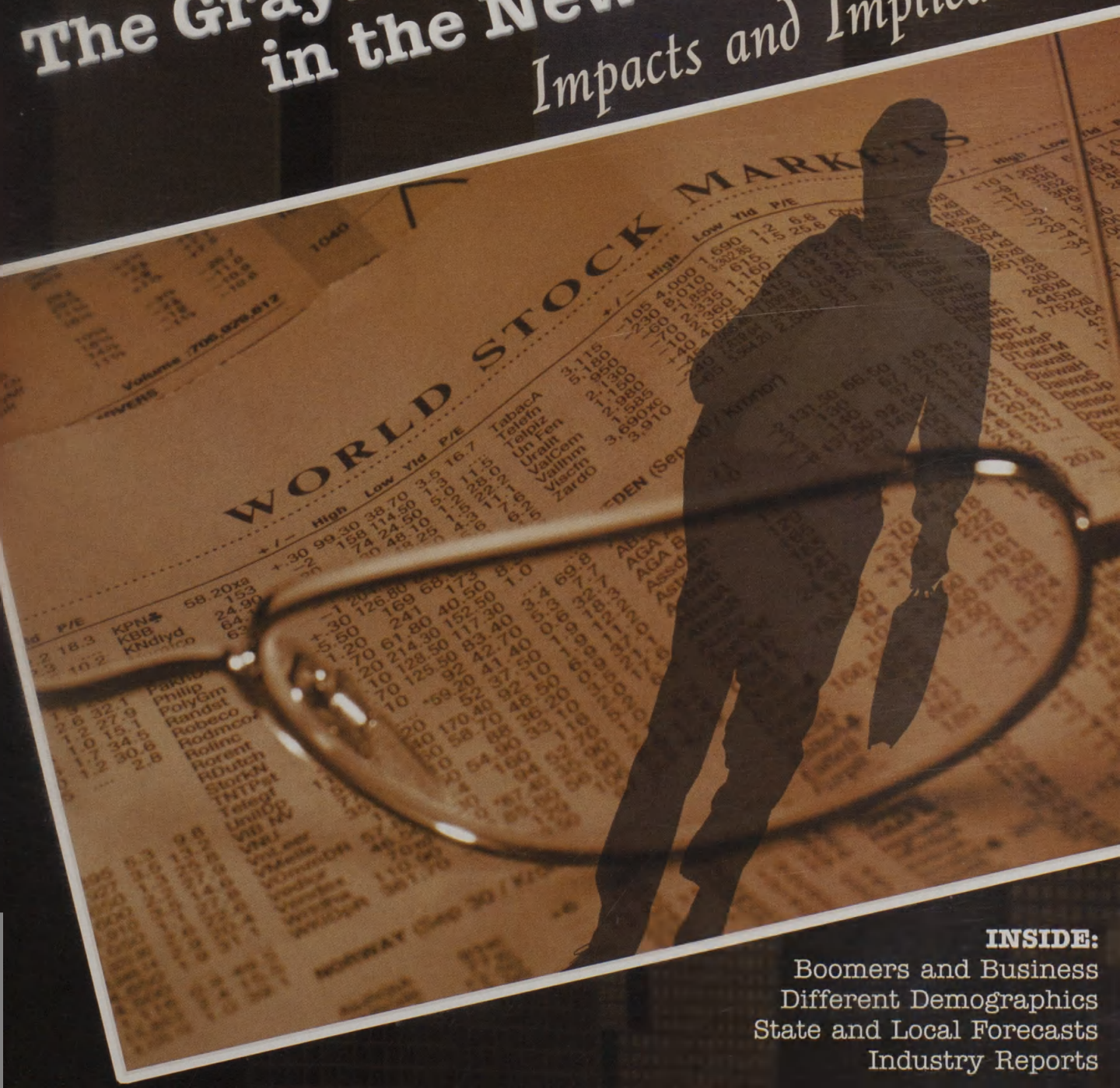
MONTANA BUSINESS QUARTERLY
VOLUME 38 NUMBER 1 SPRING 2000

The Graying of Baby Boomers in the New Millennium

Impacts and Implications



INSIDE:

Boomers and Business
Different Demographics
State and Local Forecasts
Industry Reports

Montana Business Quarterly

The Bureau of Business and Economic Research is the research and public service branch of The University of Montana's School of Business Administration.

The Bureau is involved in a wide variety of activities, including economic analysis and forecasting; health care, forest products, and manufacturing industry research; and survey research. The latest information about these topics is published regularly in the Bureau's award-winning magazine, the *Montana Business Quarterly*, which is partially supported by Norwest Bank.

The Bureau's Economics Montana forecasting system provides public and private decision makers with reliable forecasts and analysis. These state and local are forecasts are the focus of the annual series of Economic Outlook Seminars, cosponsored by First Interstate Bank, the Bureau, and respective Chambers of Commerce in Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, and Missoula.

The Montana Poll, a quarterly public opinion poll, questions Montanans about their views on a variety of economic and social issues. The Bureau also conducts contract survey research and offers a random-digit dialing program for survey organizations in need of random telephone samples.

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The *Montana Business Quarterly* (ISSN0026-9921) is published four times a year by the Bureau of Business and Economic Research and is a service of The University of Montana-Missoula. The subscription rates for the *Quarterly* are $30.00 per year, $55.00 for two years, $75.00 for three years, and $10.00 per issue. Periodical postage paid in Missoula, MT 59812. POSTMASTER: Send address changes to the *Montana Business Quarterly*, Bureau of Business and Economic Research, The University of Montana, Missoula, MT 59812.

The *Montana Business Quarterly* is available on microfilm from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, MI 49106.

Reprints of the articles are not available, but additional copies of the *Quarterly* can be secured at $10.00 per copy. All inquiries regarding subscriptions, publications, etc., should be addressed to: Montana Business Quarterly, Bureau of Business and Economic Research, The University of Montana, Missoula, MT 59812, (406) 243-5113.

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This issue was adapted from the proceedings of the 25th Annual Montana Economic Outlook Seminars.

Winnebagos, Funeral Homes, and Cruise Ships:

The Graying of Baby Boomers in the New Millennium

by Steve Seninger

As the new millennium enters its infancy, a growing number of Americans will enter their retirement years. Although people in developing countries—where the majority of citizens are under age 35—populate most of the globe, the proportion of elderly residents in the United States is growing. And with the graying of our society comes images of retirees traveling in Winnebagos, spending their money on cruise ships, and pushing Social Security and Medicare programs to their financial limits.

Besides transforming our society, America's aging population will undoubtedly trigger economic changes. For example, what impact will the growing number of retirees have on the labor market? What will happen to retirement savings and wealth if the stock market experiences a major downturn? And what about government and political systems, the majority of which are headed by soon-to-retire Baby Boomers? And, finally, how will the increasing number of older Americans affect the health care industry?

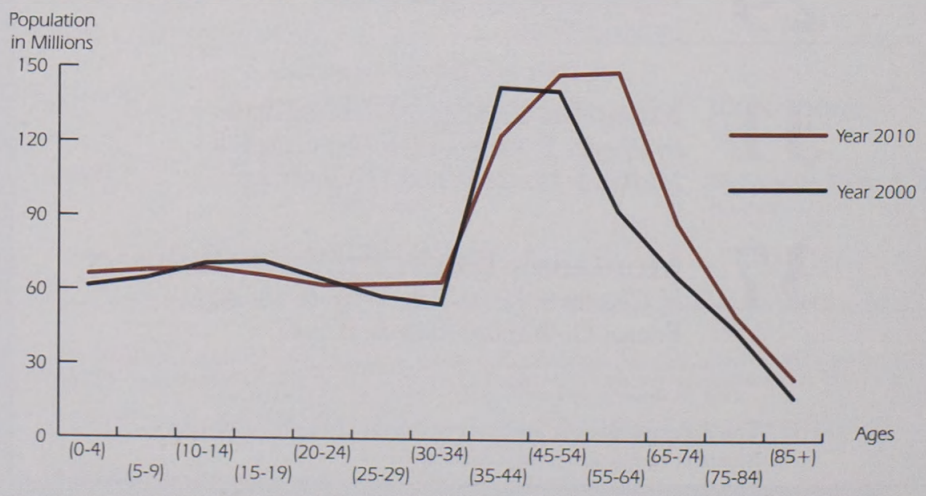
The aging of Baby Boomers born between 1946 and 1964—a period of sustained high birth rates of more than 4 million per year—will have a major demographic impact in the 21st century, one felt in consumer spending and markets, Social Security, Medicare, taxes, employment, and the workforce.

The Wave

Boomers represent the peak of a demographic wave, sweeping across all sectors of the economy. The U.S. population currently comprises nearly 80 million people between ages 35 and 55, and it will still be at 79 million in 2010.

Montana's population wave is similar to that of the rest of the nation, though the state has strong numbers in younger age groups. Boomer demographics in Montana will directly impact the state's economy, with 264,000 boomers in 2000 and almost 277,000 in 2010 (allowing for net inmigration). In addition, the number of "young old," those age 65 to 75, will roughly double during the next 40 years. And the

Figure 1
United States Age Wave, 2000-2010



Source: U.S. Census Bureau.

number of those age 85 and older will triple or more, depending on how medical improvements affect life expectancy. The boomer group combined with the over-65 group will represent nearly 44 percent of Montana's population over the next decade.

Consumers and Markets

The economic wealth and income clout of older Americans is enormous. The over-50 demographic segment accounts for more than $2 trillion in income, or more than 50 percent of discretionary spending power in the United States. This kind of clout has many implications, including:

- Marketing is pitched to mature or senior consumers as long as the image of silver-hued, active people who are "as young as you feel!" is depicted rather than the image of Grandpa or Grandma.
- Senior marketing is directed at both men and women. Boomer women are major consumers since they make more than half of the decisions on everything from health care to where to take the family vacation.
- Seniors spend more than their predecessors did, typically on experience consumption like travel, restaurants, cultural events, and sporting events. Older consumers shop wisely for high quality, high-end durables and luxuries, putting a premium on service and friendliness.
- Certain industry sectors—health care, financial services, and travel/recreation—will experience changes because of an aging America and will need to focus marketing efforts on older citizens. Health care, financial services, and travel/recreation are some of the industries that an older America will impact.

Figure 2
The Way Montana Looks Now, 2000

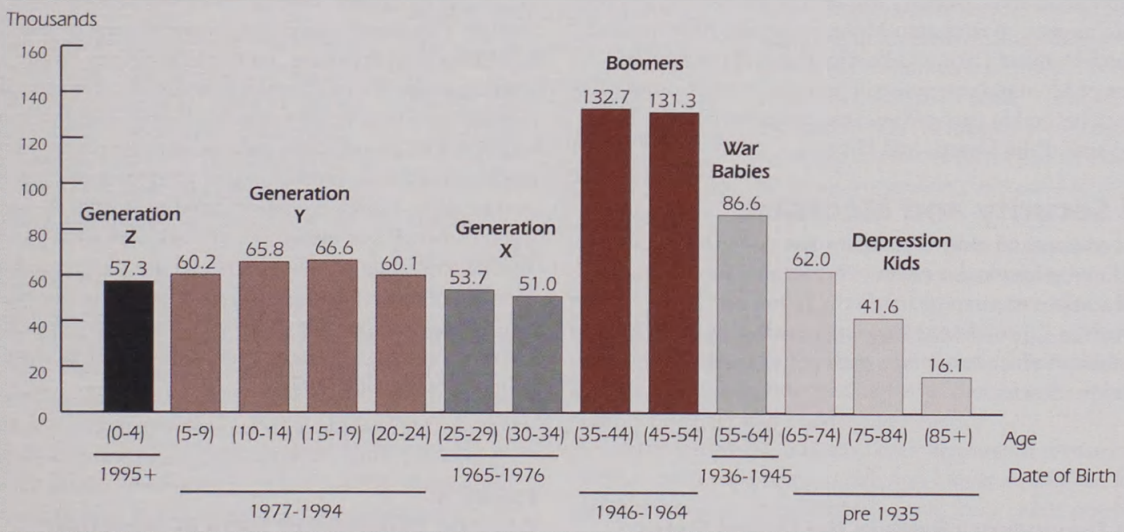
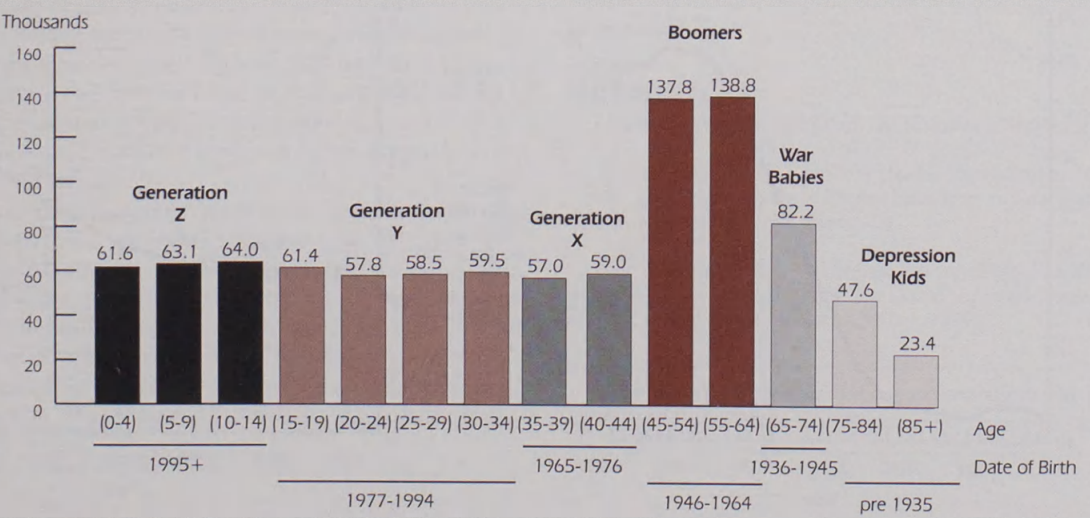


Figure 3
The Way Montana Will Look, 2010



Source: U.S. Census Bureau.

For example, the national health care bill is projected to increase from more than 13 percent of Gross Domestic Product to over 16 percent by 2008, amounting to more than $2.1 trillion in spending even before the Baby Boom generation becomes eligible for Medicare. As we progress into the 21st century, 65-year-old boomers will start to use the age-entitlement Medicare program, adding another demand factor to our national health care bill.

- In the financial services industry, older Americans are the major source of savings and investments, accounting for more than 75 percent of all stocks, bonds, bank accounts, and real estate. Banks and other financial institutions are heavily into senior marketing, hoping to access the savings pool of older Americans.
- The travel and recreation industry will certainly feel the impacts of aging boomers who are in the market for everything from Winnebagos to cruise ships to time-share resort properties to golf courses. Senior Americans with greater geographic mobility will be a major force in the real estate market, moving into Montana as part-time residents around Flathead Lake, the Beartooths, and other areas. Some of Montana's seniors will, in turn, migrate during the winter, becoming part-of-the- year residents in areas like Las Vegas, Palm Desert, and Phoenix.

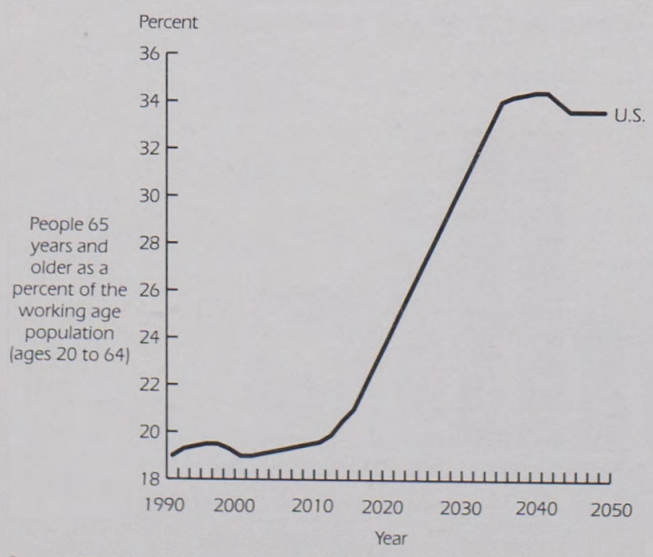
Social Security and Medicare

Aging boomers and older Americans will drive the mix of government programs and services over the next four decades. The United States can expect to see the following:

- Social Security and Medicare will grow because of large numbers of older Americans with better health and longer life expectancies.
- Social Security will account for 41 percent of the income of people age 65 and older. Under the current system, the Social Security trust account is projected to be in the red by 2014. If benefits are cut, the standard of living will decrease for many older Americans.
- The solvency of Social Security could require lowering benefits and increasing payroll taxes, which would impact younger generations and the working population. Younger generations would then be forced to battle against the political and lobbying clout of the American Association of Retired Persons.
- Medicare will increase from 2.6 percent of GDP in 1995 to 6.3 percent in 2030, with an enrollment of 75 million people.

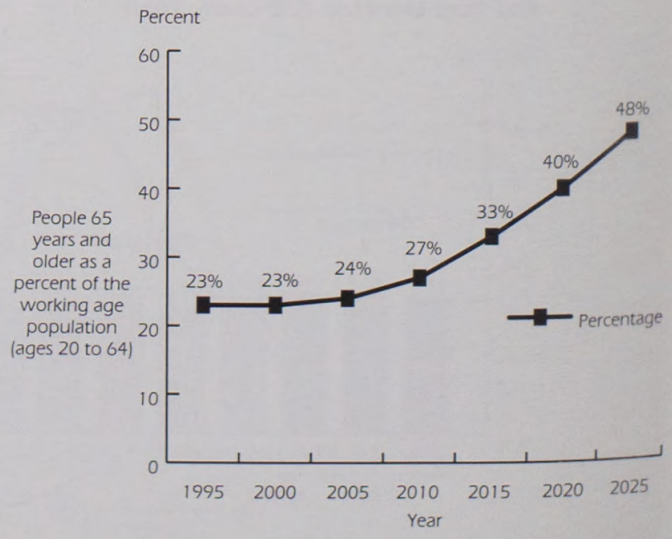
Social Security and Medicare expenses will take a big bite out of the federal budget, cutting into social expenditures for the younger population and perhaps constraining elementary and high school tax financing. Increased pressures on the financial viability of the Social Security program are stimulating ideas for program reform. One proposal would shift the financing of retiree benefits from payroll taxes paid by the non-retired/currently employed to a fully funded system where workers pay for their own benefits. Under the fully funded approach, the size of a worker's benefits at retirement are based on their purchase of assets during their working years and the return on those assets. This direct financing of a retired worker's benefits out of their own investment portfolio is very different from the existing, pay-as-you-go system where the benefits of retired workers are financed by current workers.

Figure 4
Old-Age Dependency Ratio in the United States



Source: U.S. Census Bureau.

Figure 5
Old-Age Dependency Ratio in Montana



Source: U.S. Census Bureau.

Work, the Labor Force, and Retirement

Early retirement is not something entirely new. In fact, it has been underway since the early 1900s. The average age for retirement today is 61. Boomers, currently in their 50s, are looking retirement in the eye. Starting in 2010, the large number of boomers entering retirement age will have a dramatic impact on our labor force and in specific industries.

In addition to an increasing number of retirees, the U.S. dependency ratio—the working population from ages 20 to 64 compared to the over-64 population—is changing. By 2025, there will be fewer working age persons per older persons.

In Montana, there are about five working-age people to every one person over age 65. By 2025, there will only be two working age persons to each older person. One implication of this trend is that a smaller proportion of our population will be producing goods and services and paying payroll taxes.

The growth in labor productivity will be the key to determine how big a squeeze the higher proportion of retired Americans will put on the employed labor force. Labor productivity may continue to grow annually at 2 percent or higher because of younger workers who are more attuned to using information technology in the workplace.

How affordable will retirement be for boomers? They are saving more than their parents did at the same age. They have had fewer children, and the women have been more likely to work than were their mothers. Boomers will be more financially independent, unlike some parents and grandparents of previous generations who have been financially dependent on their children. In fact, one national survey showed that only 16 percent of baby boomers surveyed expect to stop work completely upon retirement.

A rising dependency ratio, plus earlier retirement, poses problems in certain industry sectors. In Montana, for example, the average age of skilled construction workers is 46 years and older. What are the implications for the state's construction industry as these workers age and retire and the pool of younger workers continues to decrease? And on the national level, the average age of an hourly waged assembly-line worker at both General Motors and Ford is 45 years old. What will this mean for the automobile industry?

On the other hand, people "retiring" in their 50s—especially senior executives and managers—may leave the workplace to start their own businesses. The three-year survival rate for startups by people aged 50 to 55 is 70 percent. This is compared to a 30 percent business survival rate for people in their 20s.

Regardless of how all this plays out, we will have to contend with a demographic squeeze based on a larger number of older Americans who are seeking early retirement, have longer life expectancies, and are drawing on Social Security and Medicare. Younger generations will also have more employment and economic responsibilities.

Marketing is strongly pitched to mature or senior markets as long as the image of silver-hued, active people who are "as young as you feel!" is depicted rather than the image of Grandpa or Grandma.

Wild Cards

Both a larger absolute and higher proportion of older persons will affect the national and Montana economies in a number of ways. There are, however, several wild cards that may alter some of the demographic trends outlined above.

At the national level, higher U.S. birth rates and immigration levels could alter, but not totally deflect, the linear inevitability of an aging America. A large number of younger, growing families will, most likely, be concentrated in metropolitan areas in Southern California and along the mid-Atlantic and lower East Coast.

In Montana, in-and-out migration of seniors is another key factor for the age composition of the state's population. Some of the largest potential impacts on Montana's aging population may come when some portion of California's 10 million boomers start moving to the Pacific Northwest. Montana's rural mountain areas could see some change in the form of more golf courses, recreational vehicle parks, and retirement communities.

A change in fertility rates would also impact the state's age composition. However, current U.S. fertility rates are about 2.0 to 2.1 lifetime births per woman compared to about 1.7 in the 1970s and 1980s. These fertility rates would have to increase to 3.0 lifetime births per woman or higher to dramatically change the number of babies and children in America.

The sustained trend toward early retirement is based on whether older America's wealth and affluence will last forever and whether economic hardships may force either postponement of retirement or a return to work. Retirement plans based on the stock market or on the "new economy" could change if a major "correction" occurs, or if the economy is not as productive as expected.❑

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Steve Seninger is director of economic analysis at The University of Montana-Missoula Bureau of Business and Economic Research.

Jobs or Nursing Homes?

Different Demographics Lead to Different Discussions

by Paul E. Polzin

Demographics have influenced a host of important issues and topics in the United States. If the U.S. population were different demographically, would the issues Americans face also be different? To explore the answer to this question, we will compare demographic conditions in the United States to conditions in other parts of the world. Then we will narrow our scope and look specifically at the different demographic conditions within the state of Montana.

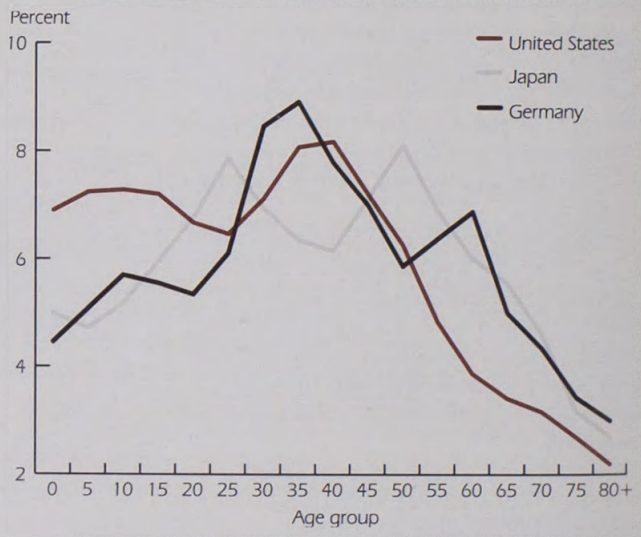
Characteristics of Advanced Countries

Most advanced countries in the world are facing problems associated with an aging population. In fact, the United States may be slightly better off because it has more young people due to recent immigration (Figure 1).

Japan, for example, has a smaller percentage of its population in the younger age categories and a larger percentage in the older age categories. Japan's postwar baby crop peaks about 10 years earlier than America's, and its Gen Xers are also a couple of years ahead. As a result, Japan will experience whatever aging problems the United States is going to have, but sooner and worse.

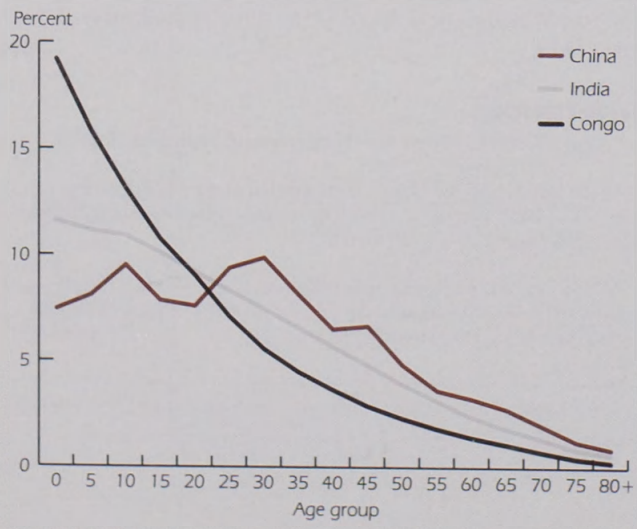
Germany's age breakdown is similar to that of the United States and Japan, with a few minor differences. Germany experienced two baby boom periods—one before World War II and one after the war with the second boom peaking a couple of

Figure 1
Age Distribution of the Population
United States, Japan, and Germany
Projected 2000



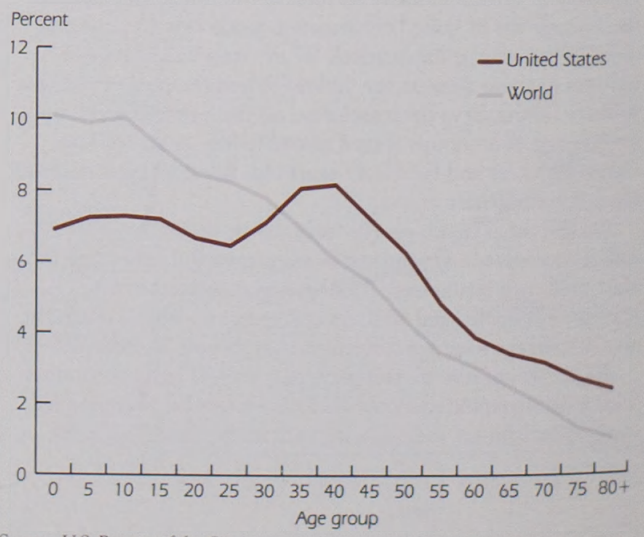
Source: U.S. Bureau of the Census.

Figure 2
Age Distribution of the Population
China, India, and Congo
Projected 2000



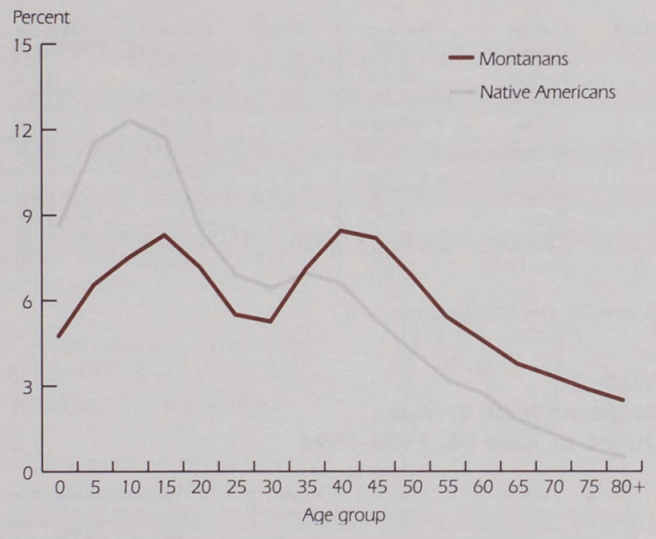
Source: U.S. Bureau of the Census.

Figure 3
Age Distribution of the Population
United States and the World
Projected 2000



Source: U.S. Bureau of the Census.

Figure 4
Age Distribution of the Population
Montanans and Native Americans
Projected 2000



Source: U.S. Bureau of the Census.

years later than the U.S. boom. Overall, Germany has fewer young people and more old than America.

Most of the other advanced countries have age distributions similar to that of the United States and are facing some of the same issues related to aging. Among the advanced countries, the United States is probably in relatively good shape. Recent immigration has resulted in relatively more people in the younger age category.

The Rest of the World

So far, only the populations of advanced countries have been discussed: the United States, about 270 million; Western Europe, about 300 million; Japan, about 130 million; and about another 70 million in other advanced countries like Canada and Australia. That totals about 770 million of the world's 6 billion people; the advanced countries represent only 13 percent of the world's population. In other words, nearly 87 percent of the world's population lives outside the advanced countries.

What does the population look like in underdeveloped countries? It is important not to generalize; it varies from country to country.

Consider China, the largest country in the world, with a population of about 1.3 billion people. Surprisingly, China's age distribution is not that different from the advanced countries, especially with the sharp decline in number of births in the last 15 years (Figure 2). But this age distribution in China did not develop in the same way as in the western countries; in China, there was a ruthlessly enforced policy limiting the number of children.

India, the second largest population in the world, has about 1.0 billion people. India has a very different age distribution than China and the world's more advanced countries; the number of births in India is increasing each year, meaning that each age group is larger than the one older and the average age of India's population is getting younger every year. There has been a slight plateauing to this trend in recent years, suggesting slower growth in the number of births.

In the Congo, the age distribution is more characteristic of underdeveloped countries in Africa, Central America, and South America. All of these countries have an ever-increasing number of births, and each age group is larger than the preceding one.

In general, most countries do not have a population distribution like the United States or the other advanced countries (Figure 3). This means that the age distribution of the world's population looks more like that of underdeveloped countries.

Demographics and Differences

So what difference does age distribution make? Since much of the rest of the world has an age structure dissimilar to that of the United States, different issues are important. For example, countries with predominantly young populations may be concerned with:

- Education and improving conditions for young people,
- Creating jobs and economic opportunities for growing populations,
- Social problems associated with youth (i.e., lifestyles, drugs, crime).

In contrast, the United States and other advanced countries are more concerned with issues associated with an aging population; Medicare, Social Security, and retirement.

Table 1
Montana Counties (Top 10 and Bottom 10)
Percent of Population Age 65 and Older

Rank	County	Percent	Rank	County	Percent
1.	Liberty	26.0%	47.	Lewis & Clark	11.9%
2.	Daniels	23.4%	48.	Toole	11.7%
3.	Sheridan	23.3%	49.	Petroleum	11.4%
4.	Prairie	22.5%	50.	Roosevelt	10.7%
5.	Wibaux	21.1%	51.	Missoula	10.6%
6.	Powder River	20.9%	52.	Jefferson	9.7%
7.	Wheatland	20.6%	53.	Glacier	9.4%
8.	Fergus	18.9%	54.	Gallatin	8.8%
9.	Chouteau	18.8%	55.	Big Horn	8.3%
10.	Deer Lodge	18.6%	56.	Rosebud	7.8%

Source: U.S. Bureau of the Census.

Table 2
Montana Birth Trends
July 1 to June 30, 1990-1998

Period	Births	Period	Births	Period	Births
1990-91	11,497	1993-94	11,289	1996-97	10,728
1991-92	11,714	1994-95	10,979	1997-98	10,899
1992-93	11,307	1995-96	11,089		

Source: U.S. Bureau of the Census.

Montana Demographics

Narrowing the focus from the world to Montana, our state's demographics vary from county to county. Table 1 lists the top 10 and bottom 10 Montana counties in terms of proportion of the population aged 65 and older. Notice that the highest proportion of those over the age of 65 is located in rural eastern Montana. This is due, in part, to the many young people who have left the state's rural areas in search of jobs. However, the situation for the very old—those 85 years and older—is quite different. The very old are generally concentrated in urban areas near medical centers and assisted-living facilities.

The counties with the youngest populations are Missoula and Gallatin Counties—both urban areas and homes of colleges—and reservation counties such as Big Horn and Roosevelt.

It is interesting to note that Montana's Native American population has more young people and fewer elderly than the rest of the state. The demographic makeup of Montana reservations somewhat resembles that of the underdeveloped countries mentioned earlier. It is, therefore, only natural that issues such as jobs and social conditions normally associated with the young are a top priority for Native Americans, as they are for many countries in the world (Figure 4).

Finally, a general downward trend has occurred in the 1990s in the number of Montanans born each year. (Table 2). On the average, about 500 fewer babies were born annually during the end of the decade compared with the early 1990s.

What is the immediate application of this? Obviously, the number of children in first grade is closely related to the number of births six years earlier. Of course, there is a lot more to enrollment forecasting than tallying births, but this decline in children suggests an overall school enrollment reduction in future years.

In summary, demographics vary significantly in Montana and throughout the world. Understanding demographics determines what is important to people in different counties, states, and countries; and it gives us a foundation for future planning.❑

Paul E. Polzin is director of The University of Montana-Missoula Bureau of Business and Economic Research.

U.S. Economic Expansion Longest on Record: Can the "New Economy" Take the Credit?

by Paul E. Polzin

The U.S. economy is in its ninth year of continuous growth, the longest expansion on record, surpassing that of the Kennedy/Johnson expansion years in the 1960s. The leading economic indicators are still positive, but the Federal Reserve has raised interest rates. Will high growth and low inflation deteriorate into stagnation and recession? Or could conditions even get better?

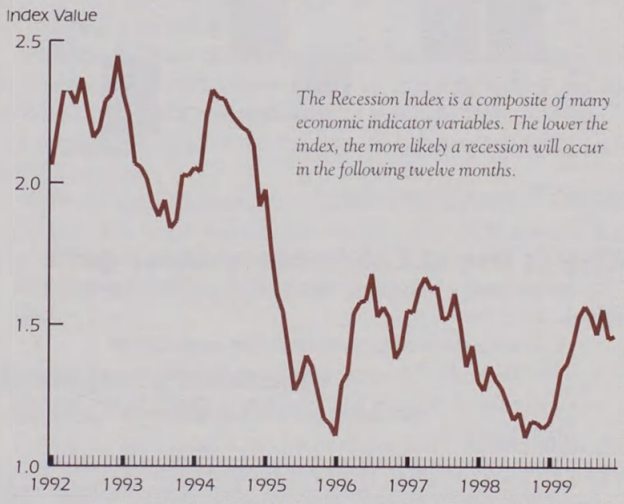
At this time last year, the nation was worried about the Asian financial crisis and whether it would bring a U.S. recession. This year, things are different; there are few signs of an impending recession.

One way to measure the short-run ebbs and flows in the U.S. economy is with the Recession Barometer; a national forecasting firm, the WEFA Group, developed this index. The Recession Barometer is a composite of many economic indicators, and it measures the likelihood of a recession in the next 12 months. The lower the number on the barometer, the more likely a recession.

Figure 1 shows the Recession Barometer from 1992 through 1999. During that period, the U.S. economy had two close calls with a recession. One was in 1995, and another occurred approximately a year ago.

At present, the barometer is at or near a two-year high, and the chance of a recession is small. In the next 12 months, there is only a 15 percent chance of a recession; last year at this time, there was a 35 percent chance of a recession.

Figure 1
WEFA Recession Index
1992-1999



Source: The WEFA Group.

Table 1
Economic Trends for the U.S. Economy, 1996-2004
Actual and Projected as of January 2000

	Actual			Projected					
	1996	1997	1998	1999	2000	2001	2002	2003	2004
Real GDP (chained $), percent change	3.7	4.5	4.3	4.0	3.2	3.4	3.3	3.1	3.1
Inflation (CPI-U), percent change	2.9	2.3	1.6	2.1	2.5	2.5	2.3	2.5	2.5
Interest rates									
90-day T-bills, percent	5.0	5.1	4.8	4.6	5.5	5.6	5.6	5.6	5.6
Mortgage rates, percent	7.7	7.7	7.1	7.5	7.7	7.8	7.6	7.5	7.5
Housing starts, millions	1.5	1.5	1.6	1.7	1.5	1.4	1.4	1.4	1.4
Unemployment rate, percent	5.4	4.9	4.5	4.2	4.4	4.3	4.6	4.6	4.7

Source: The WEFA Group (January 2000).

Figure 2
Montana GSP Per Worker
Chained 1992 Dollars

Source: U.S. Bureau of Economic Analysis.

Why is the U.S. Economy Stronger?

Since last year, a number of factors have caused the improved outlook. They are:

- Consumer spending is stronger than anticipated.
- The "Asian Flu" is over. Southeast Asia recovered from the economic crisis faster than expected, which means growth for U.S. exports.
- The Federal Reserve lowered interest rates early last year.
- State and local governments have been spending more than predicted.

The result of this stronger economy is that the Federal Reserve is no longer worried about a recession. They now think inflation is the danger, and they began raising interest rates late last year in an attempt to cool an overheated economy.

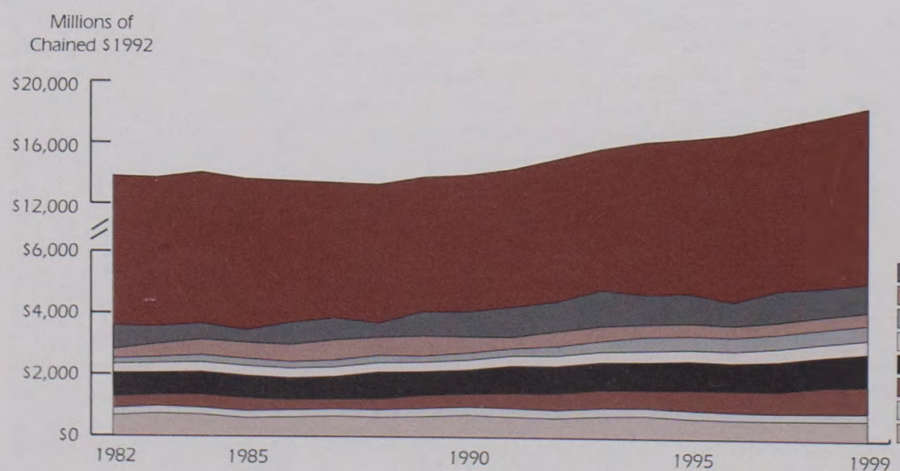
The U.S. Economy

The U.S. outlook calls for slightly slower Gross Domestic Product (GDP) growth and a slight inflation increase (Table 1). In 2000, the GDP will increase about 3.2 percent, which is down from 4.0 percent in 1999. Prices will increase by about 2.5 percent per year compared to 2.1 percent in 1999.

Even though a recession in the next 12 months is unlikely, there are some risks for the U.S. economy.

- **International risks.** Although the Asian Flu is over, some areas such as Brazil, Korea, and China are still experiencing economic problems. If these areas go into recession, it will affect U.S. exports.
- **Commodity inflation.** Increased worldwide growth resulting from the end of the Asian Flu may lead to increased commodity prices. In contrast, commodity (including energy) prices have been stable or declining in the past few years.
- **Stock market crash.** This is the one event that is probably big enough to stop the juggernaut U.S. economy. A major stock market crash would have two effects. First, it would kill consumer confidence and greatly affect consumer wealth and purchases. Secondly, a stock market crash would quickly end the tax revenue growth due to capital gains and put a damper on growth of state and local government spending.

Figure 3
Gross State Product and Basic Industry Gross Product
Montana, 1982-1999



1999 Gross Product
(Chained 1992 dollars)

Total gross state product	$18,479	
Total basic gross product	$5,099	100%
Agriculture	$924	18%
Wood & paper products	$412	8%
Railroad	$487	10%
Nonresident travel	$449	9%
Mining	$1,048	21%
Selected manufacturing	$881	17%
Military	$239	5%
Federal government	$658	13%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Is There a New Economy?

Some say forecasts of 3.2 percent GDP growth and 2.5 percent inflation are too pessimistic. They believe the nation is experiencing a new phenomenon—a "new economy" that will be much more productive.

New economy advocates say the U.S. economy is more productive than ever, and that the nation will have even faster growth with less inflation. Others believe temporary factors and special circumstances are responsible for the improved economy. Following is a look at both sides.

Between 1996 and 1999, the U.S. economy grew faster than 3 percent, and three of those years were in excess of 4 percent. Economists used to think that the long-term potential growth rate was somewhere around 2.5 percent, and that this many years of faster-than-sustainable growth combined with tighter and tighter labor markets should lead to inflation. But according to the numbers, inflation had actually been declining most of this period.

What reconciles these trends of fast growth and no inflation? The answer is increases in labor productivity. During most of the past few decades, labor productivity has been growing by about 1 percent annually. In more recent years, the annual increases have been about 2 percent.

Why has labor productivity increased? The new economy boosters point out that U.S. businesses were on an investment binge during much of the 1990s. A large portion of the investment was in computers and information technology, and these investments are now paying off in increased labor productivity.

The new economy proponents expect faster growth, low inflation, continued growth in business profits, and no crash in the stock market.

While these are convincing arguments, detractors also have credible arguments. They agree that there has been fast growth, low inflation, and increased measured labor productivity. But they believe that these factors don't necessarily make for a new economy. They argue that recent trends have occurred for several reasons, including:

- Measured labor productivity typically increases late in the business cycle, and we are certainly late in the current cycle.
- Inflation is low because energy and commodity prices fell during much of the 1996 to 1999 period but are now starting to rise.
- Health care costs have been contained by HMOs, but we don't know how much longer the HMOs can keep the lid on health care inflation.

In addition, these skeptics point out that the measured productivity increases are not where we expect. The biggest labor productivity increases have been occurring in manufacturing, and we would expect them to occur throughout the computer-using sectors of the economy.

Both of these arguments have merit. Whether these conditions are due to a new and more productive economy or to good luck and some fortuitous circumstances remains to be seen. At any rate, the U. S. economy is strong and a recession in the near future is unlikely.

Montana's Economy

New Data Provide New Perspectives

Montana and most of its communities have grown during the 1990s, with the state's traditional basic industries contributing to these trends. A look at Gross State Product (GSP) data provide new perspectives into the role of these industries.

Table 2
Population, Montana and BEA Regions
1990-2010

	Thousands of Persons				Average Annual Percent Change	
	Actual		Projected			
	1990	1999	2000	2010	1990-1999	2000-2010
Montana	799	883	885	970	1.1%	0.9%
West	334	390	394	444	1.7%	1.2%
Missoula	79	89	92	105	1.3%	1.3%
Flathead	59	72	74	88	2.2%	1.7%
Butte-Anaconda	44	45	43	40	0.2%	-0.7%
Lewis & Clark	47	54	55	62	1.6%	1.2%
Ravalli	25	35	37	43	3.8%	1.5%
Rest of West	79	95	93	106	2.0%	1.3%
North Central	156	153	152	155	-0.2%	0.2%
Cascade	78	79	80	81	0.1%	0.1%
Hill	18	17	17	17	-0.6%	0.0%
Valley	8	8	8	8	0.0%	0.0%
Rest of North Central	52	49	47	49	-0.7%	0.4%
Southeast	309	340	339	371	1.1%	0.9%
Yellowstone	113	126	129	144	1.2%	1.1%
Gallatin	50	63	66	74	2.6%	1.1%
Rest of Southeast	146	151	144	153	0.2%	0.6%

Source: Bureau of the Census, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

Figure 3
Actual and Projected Percent Change in Nonfarm Labor Income, Montana 1992-2004

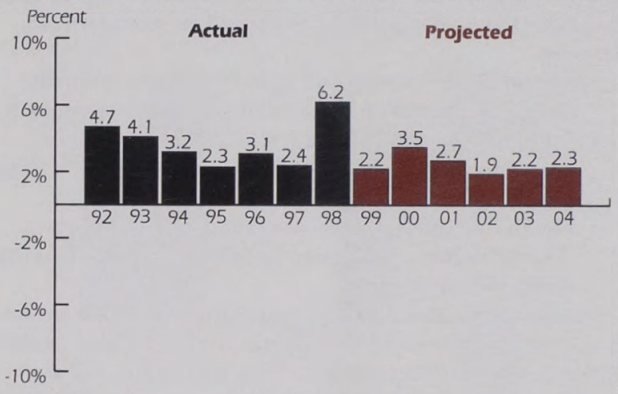
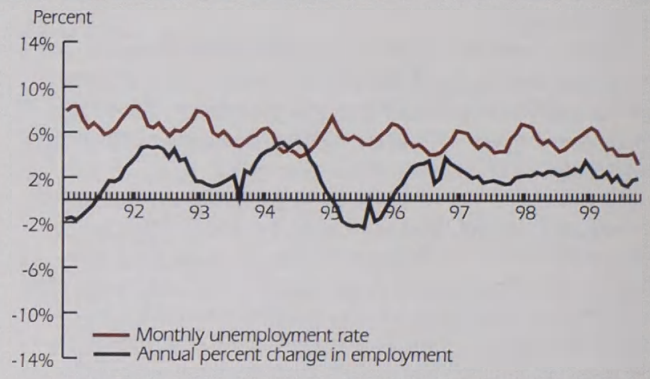


Figure 4
Monthly Unemployment Rate and Change in Monthly Employment, Montana January 1991-November 1999



Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

GSP, which measures the value of production in Montana, is easier to conceptualize on the national level. Gross Domestic Product (GDP) is the most used method of measuring an economy. GDP is the value of goods and services produced in the United States, which are evaluated at market prices.

The value measure of production is more difficult to conceptualize at the state level because only part of most goods' production occurs in a single state. For example, only part of the new house sold in Seattle was produced with a Montana product, only part of the steak dinner bought in Los Angeles was produced with Montana beef. But GSP does measure the production that occurs in Montana regardless of where the final good or service is consumed.

In addition, GSP provides a common unit of measurement. It is directly comparable to GDP for the United States, which is now the most widely-used unit to compare economies around the world.

In the past, we have used employment and labor income data to describe the Montana economy in terms of how we are employed and where we earn our income. Gross State Product allows us to go a step further and describe the Montana economy in terms of what is produced.

What difference does this make? In general, capital-intensive industries such as agriculture and mining appear larger when they are measured using value of production measures such as GSP. On the other hand, labor-intensive industries like nonresident travel generally decrease using this measure.

When Montana's population was growing rapidly early in the 1990s, it was a safe bet that we would regain our second congressional seat. But the currently stable population combined with continued growth elsewhere in the nation means that Montanans will have to wait and see how the arithmetic turns out in order to determine whether or not we get our second seat back.

Montana's basic industries provide a good example. These are the industries that generally produce products that are sold outside the state and are responsible for injecting new funds into the state's economy. The GSP produced in each basic industry is measured in terms of the new price index denoted as chained 1992 dollars.

To be specific, last year when we used labor income, agriculture represented about 11 percent of the economic base. Using GSP, this number rises to 18 percent. Mining shows the biggest difference. Using labor income, it represented about 10 percent of the state's economic base. Using Gross State Product, this figure rises to 21 percent. In contrast, nonresident travel decreased, accounting for about 16 percent of the state's economic base using labor income but only 9 percent using GSP.

A New Economy for Montana?

The GSP data help shed some light on labor productivity in Montana, and there is some evidence that we may be experiencing aspects of the new economy in Montana.

There has been a dramatic change in labor productivity for

three of the industries that benefit most from information technology and computerization—wholesale trade, retail trade, and services (Figure 1). Each of these industries has experienced a noticeable acceleration in labor productivity.

For example, labor productivity in wholesale trade grew 5.6 percent per year in 1995-1997 period, up from 3 percent per year during the 1982-1995 period.

Retail trade experienced an annual increase in labor productivity of 4.1 percent per year from 1995-1997, up from –0.9 percent from 1982-1997.

Labor productivity in the services industry declined in both time periods, but there was a significant improvement during the most recent. Between 1982 and 1995, the decline was 1.8 percent per year. That improved to -.03 percent per year during the 1995 to 1997 period.

The trend is obvious. In each of these major sectors, which together account for almost 55 percent of the jobs, we see a marked improvement in labor productivity growth.

Nonfarm labor income is also used to measure growth in the Montana economy (Figure 3). Unlike Gross State Product, which is available only with a long lag, nonfarm labor income is estimated several times a year and provides an up-to-date measure of economic performance. The rates of growth in GSP and nonfarm labor income are almost identical in the long run.

Montana's Population

Population continues to be an important measure of Montana's economic performance. With the 2000 census underway, population becomes an important political issue for Montanans. For example, will Montana regain its second congressional seat?

Montana has experienced significant population growth since 1990, but almost all of it occurred before 1996 (Table 1).Since 1997, the state's population has been stable at about 880,000. Two years ago, we projected that Montana's population would be about 920,000 in the year 2000. But the forecast for 2000 has been trimmed down to about 885,000.

Montana's population forecast for 2010 has also been scaled back. The most recent projection is for 970,000 people. Two years ago, the forecast was for slightly more than one million people in the year 2010. The slowdown may reflect the renewed prosperity in Southern California, which has resulted in fewer Californians migrating to Montana.

When Montana's population was growing rapidly early in the 1990s, it was a safe bet that we would regain our second congressional seat. But the currently stable population combined with continued growth elsewhere in the nation means that Montanans will have to wait and see how the arithmetic turns out in order to determine whether or not we get our second seat back.

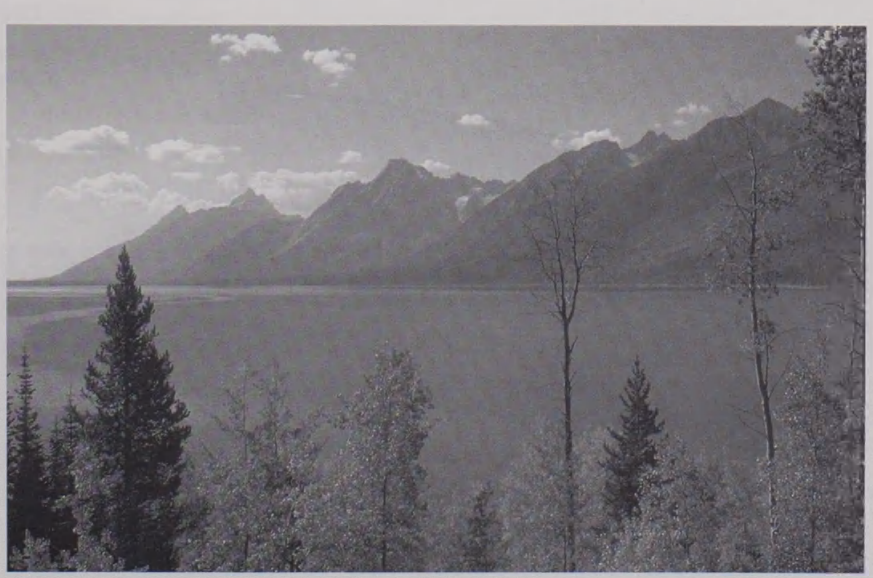
Montana Outlook

Since 1992, Montana's annual growth rate has been greater than 2 percent. We used to think that 2 percent per year was the long-run potential rate for the Montana economy. How long will the "above average" growth continue? New economy advocates might say it will continue indefinitely. But the Bureau's forecast calls for continued 3.5 percent growth in 2000, with the growth rate slipping back to between 2 percent and 2.5 percent in later years.

Forecast Risks

This forecast calls for greater than 2 percent growth and may seem relatively optimistic to some people. But as always, risks plague forecasts.

The major risk is still the possibility of a U.S. recession caused by a sizable and sustained stock market crash. Another risk is the possibility of one of the state's large plants closing. Some of them are old, and several of them have new owners. And since agriculture is the state's dominant industry, Montanans always have to worry about the weather, world markets, and insects. Also, specific industries have a number of individual risks. For example, timber supply issues continue to be a concern for the state's wood products industry.



Outlook for Missoula County

Missoula continues as the state's second largest trade and service center, next to Billings. The Gross County Product numbers remind us that the traditional economic mainstays of wood and paper products and transportation (both rail and trucking) continue to be major contributors to Missoula's economy. The latest data show Missoula's traditionally high unemployment rate at less than 3.5 percent, a figure not seen for decades.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Missoula	51	10.6
Ravalli	35	14.6
Lake	36	14.4
Sanders	31	15.6
Mineral	41	13.4

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Missoula County 1992-2004 (In Constant 1998 Dollars)

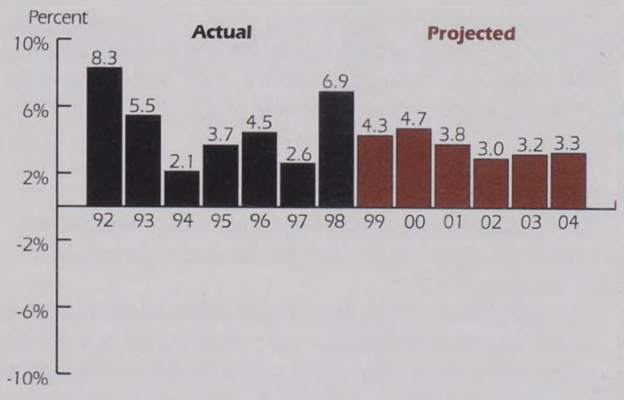
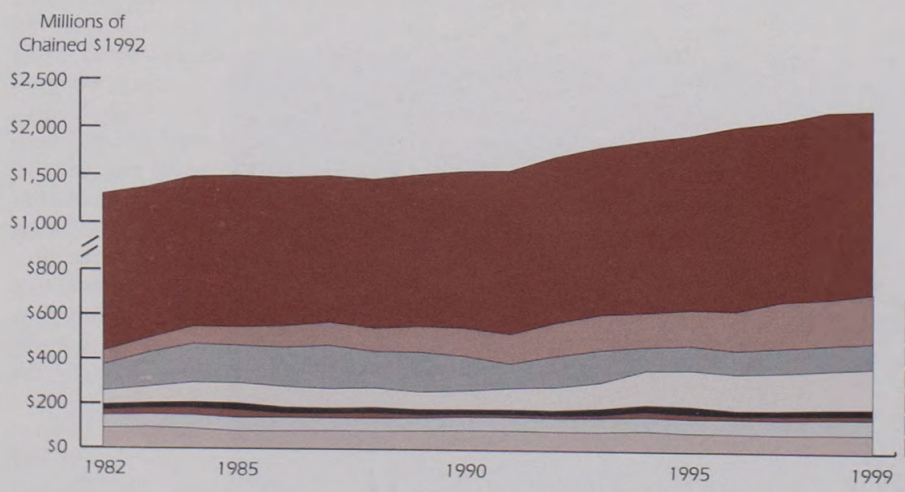


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Missoula County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Missoula County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product $2,210

Total basic gross product	$711	100%
Trade center activity	$217	31%
Wood and paper products	$114	16%
Transportation	$181	25%
Nonresident travel	$26	4%
Other basic	$22	3%
University of Montana	$67	9%
Federal government	$84	12%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Flathead County

Flathead County was among the fastest growing counties in Montana during the 1990s. But the growth was volatile, ranging from about 8 percent in 1992 and 1993, to roughly 1 percent in 1997. The sharp increase in 1998 and the decline in 1999 reflect the Columbia Falls Aluminum Company wage settlement. The county has a diversified manufacturing sector, including high-tech, primary metals refining, and wood products. Unemployment has historically been high, following a distinct seasonal pattern with almost no downward trend.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Flathead	44	12.8
Lincoln	37	14.5
Glacier	53	9.4
Lake	36	14.4

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Flathead County 1992-2004 (In Constant 1998 Dollars)

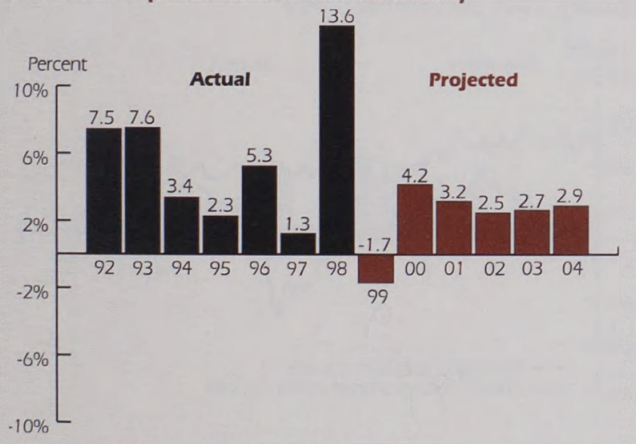
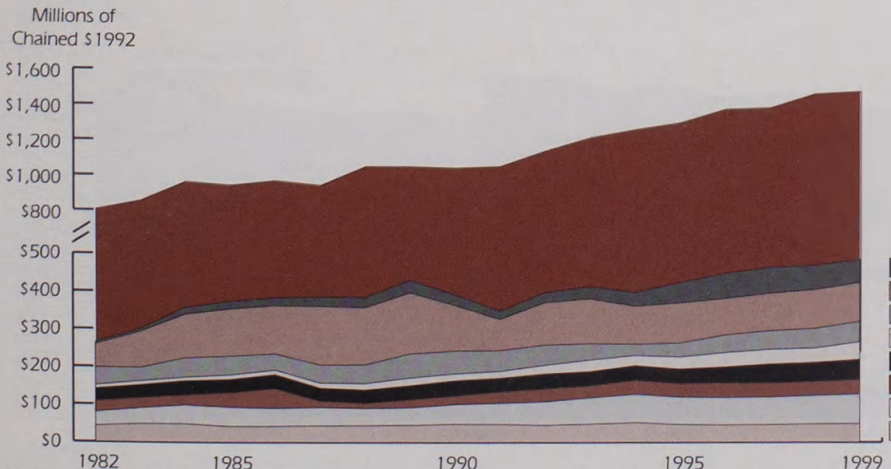


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Flathead County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Flathead County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product $1,470

Total basic gross product	$483	100%
Selected manufacturing	$61	13%
Wood products	$103	21%
Primary metals	$54	11%
Trade center activity	$47	10%
Nonresident travel	$52	11%
Agriculture & other	$39	8%
Transportation	$78	16%
Federal government	$49	10%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Butte-Silver Bow and Anaconda-Deer Lodge Counties

The construction impacts of the Advanced Silicon plant in Butte turned out to be much larger than anticipated, accounting for the sizable labor income increases in 1997 and 1998. The production workforce is smaller than the construction workforce, leading to the 1999 decline. The large Gross County Product figures for the Montana Power Company are due to high average labor productivity for the utility industry. These numbers may change as the company's recent reorganization becomes incorporated into the data. The recently announced plan to sell Montana Power Company assets may affect the Butte-Anaconda economy. But there are not yet enough details to accurately estimate the impacts.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Silver Bow	30	15.9
Deer Lodge	10	18.6
Beaverhead	45	12.7
Granite	26	16.2

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Butte-Silver Bow and Anaconda-Deer Lodge Counties, 1992-2004 (In Constant 1998 Dollars)

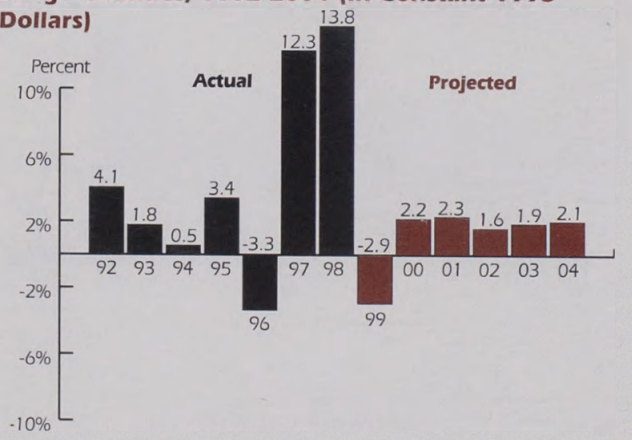
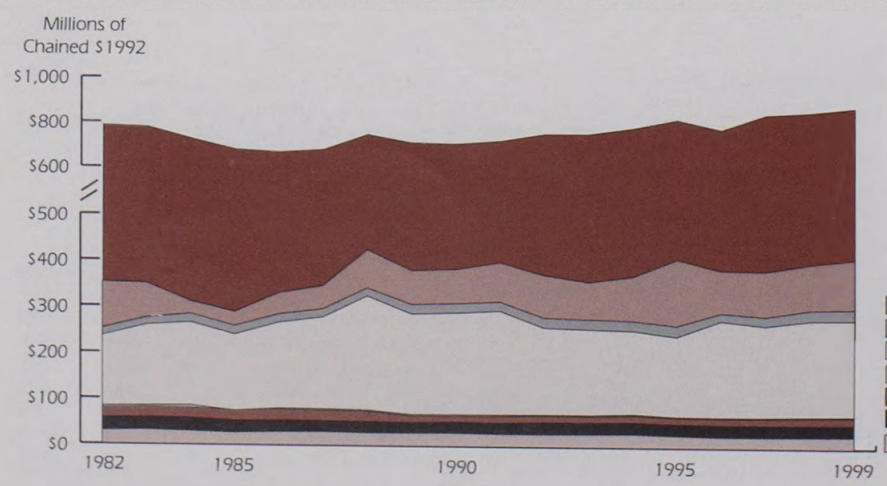


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Butte-Silver Bow and Anaconda-Deer Lodge Counties, January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Butte-Silver Bow and Anaconda-Deer Lodge Counties, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product $878

Total basic gross product	$410	100%
Mining	$108	26%
Selected manufacturing	$24	6%
Utility HQ and related	$208	51%
Other	$2	<1%
Nonresident travel	$17	4%
Education and institutions	$25	6%
Federal government	$26	6%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Cascade County

Malmstrom Air Force Base and trade center activities account for more than one-half of Cascade County's economic base. Great Falls serves as a trade and service center for Northeast Montana, the region most dependent on agriculture. Productivity increases on farms and ranches have stabilized or possibly reduced employment. The rapid, nonfarm labor income growth in 1998 can be attributed to construction.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Cascade	40	13.4
Chouteau	9	18.9
Teton	27	16
Fergus	8	18.9

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Cascade County 1992-2004 (In Constant 1998 Dollars)

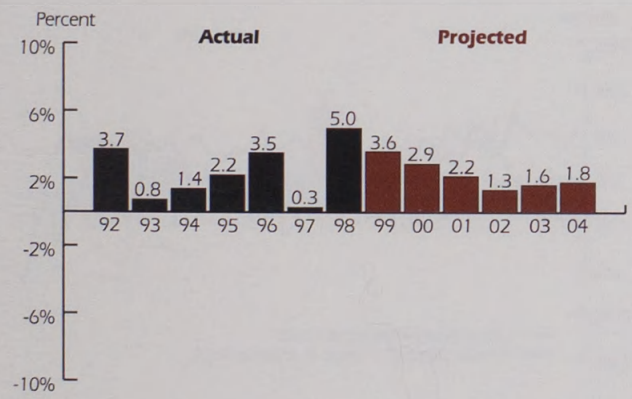
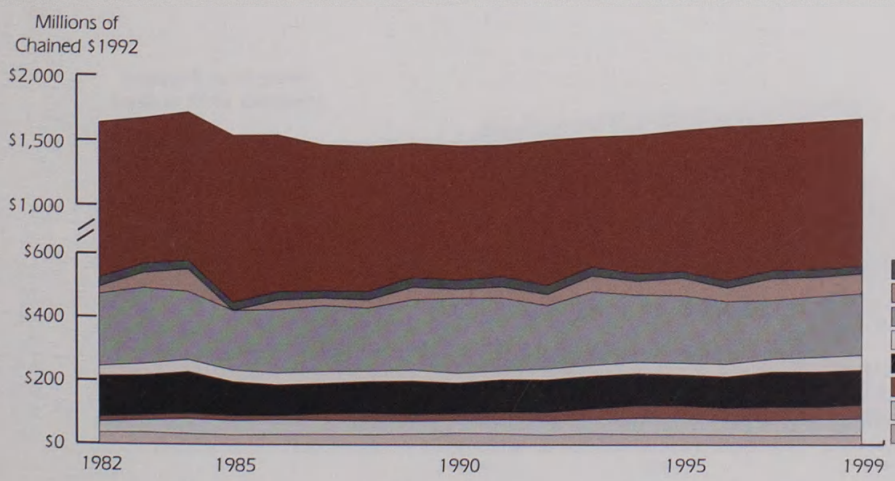


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Cascade County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Cascade County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product	$1,675	
Total basic gross product	$564	100%
Nonresident travel	$24	4%
Agriculture	$63	11%
Malmstrom AFB	$195	35%
Selected manufacturing	$47	8%
Trade center activity	$111	20%
Education & other	$44	8%
Transportation	$52	9%
Federal government	$29	5%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Anaysis Bureau, Montana Department of Labor and Industry.

Outlook for Lewis & Clark County

The precipitous drop in employment during 1999 must be interpreted with a grain of salt. Last year, there were also decreases in the latest employment data, but later revisions moderated the trend. Helena depends on state and federal government and neither is likely to be a growth engine in the near future. However, recent construction activity associated with the military has boosted the economy and is likely to continue to do so for at least another year.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Lewis & Clark	47	11.9
Jefferson	52	9.7
Broadwater	25	16.2
Meagher	12	18.2
Powell	39	13.6

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Lewis & Clark County 1992-2004 (In Constant 1998 Dollars)

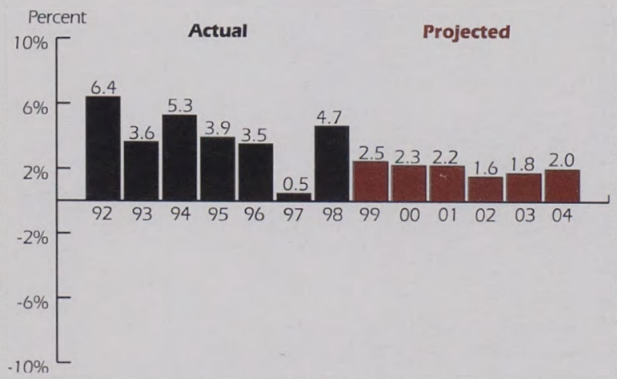
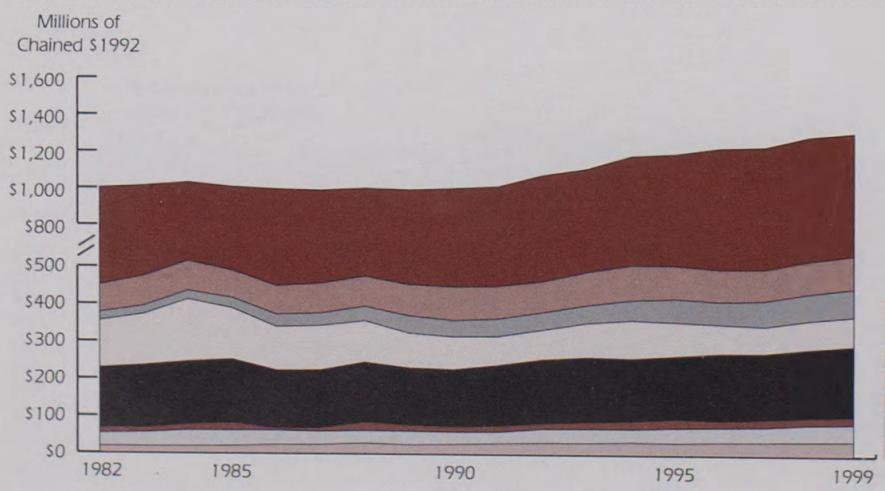


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Lewis & Clark County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Lewis & Clark County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product $1,310

Total basic gross product	$537	100%
Federal government	$88	16%
Trade center activity	$75	14%
Transportation and utilities	$79	15%
State government	$187	35%
Agriculture and other	$22	4%
Selected manufacturing	$46	9%
Education	$40	7%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Yellowstone County

Labor income growth has slowed slightly since the early 1990s. The spike in 1998 was caused by construction activity. In Yellowstone County, Billings continues as Montana's major trade and service center. Wholesale trade is one of the largest components of trade center activity in Billings, and there is still some worrisome softness in the latest data for this industry.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Yellowstone	42	13.1
Park	33	14.9
Madison	28	16
Sweet Grass	16	17.8
Custer	21	17.1

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Yellowstone County 1992-2004 (In Constant 1998 Dollars)

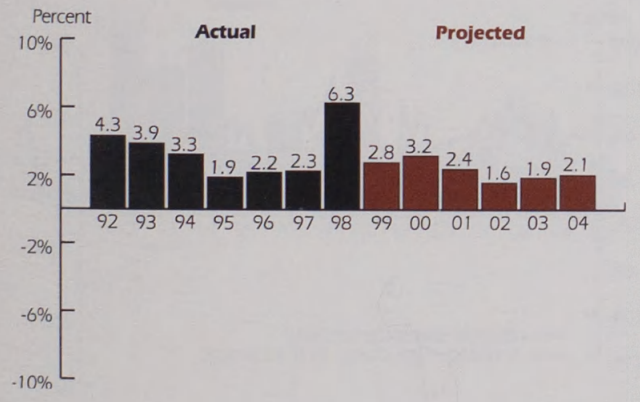
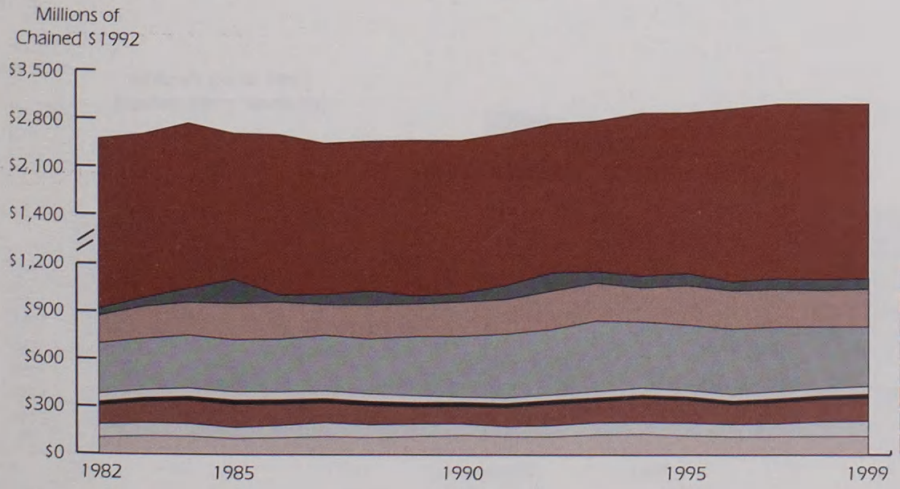


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Yellowstone County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Yellowstone County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product $3,030

Total basic gross product	$1,115	100%
Agriculture and mining	$68	6%
Oil and refining	$238	21%
Trade center activity	$376	34%
Nonresident travel	$49	4%
Higher education	$22	2%
Transportation	$150	14%
Selected manufacturing	$95	9%
Federal government	$117	10%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Gallatin County

Gallatin County has consistently posted some of the fastest income growth during the 1990s. The Bozeman area has been a center for high-tech manufacturing, and the recent improvement in international markets has led to growing sales for many of these firms. Unemployment rates in Gallatin County have been among the lowest in Montana's major cities. Much of the nonresident travel industry is located outside Bozeman, in Big Sky, and West Yellowstone.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Gallatin	54	8.8
Park	33	14.9
Madison	28	16
Stillwater	38	14

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Gallatin County 1992-2004 (In Constant 1998 Dollars)

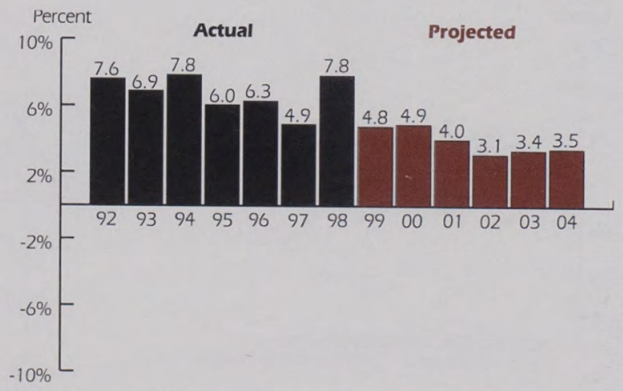
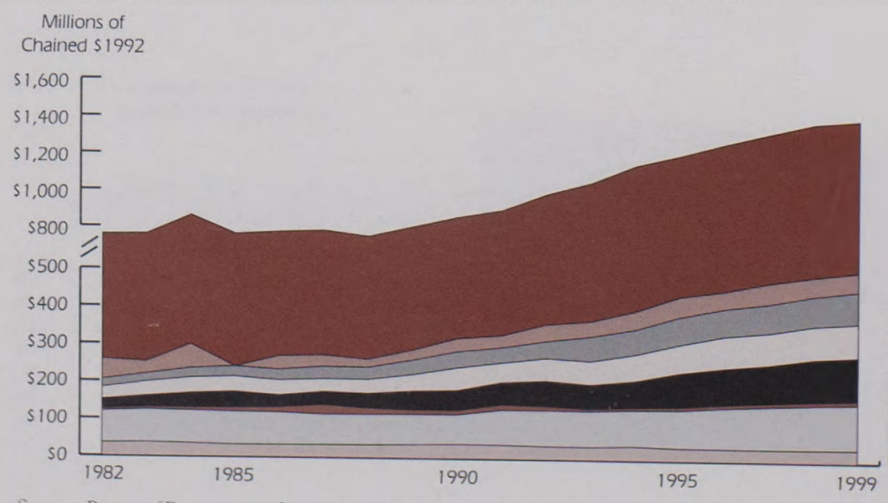


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Gallatin County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Gallatin County, 1982-1999



1999 Gross Product (Chained 1992 dollars)

Total gross county product	$1,400	
Total basic gross product	$505	100%
Agriculture	$51	10%
Trade center activity	$85	17%
Nonresident travel	$90	18%
Selected manufacturing	$113	22%
Mining, rail, & other	$11	2%
Montana State University	$120	24%
Federal government	$35	7%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Outlook for Ravalli County

Gross County Product data does not, unfortunately, take into account the commuters who live in Ravalli County but work in Missoula. We have presented commuter earnings as an addendum to the Gross County Product graph. Much of the recent population growth was in northern Ravalli County and represents an expansion of the Missoula area economy. Population growth will continue, but at slower rates. Wood products is the major basic industry as measured by Gross County Product.

Table 1
Percent of Population Age 65 and Older

County	Rank	Percent age 65 and older
Ravalli	35	14.6
Missoula	51	10.6
Sanders	31	15.6
Mineral	41	13.4
Granite	26	16.2

Figure 1
Actual and Projected Percent Change in Nonfarm Labor Income, Ravalli County 1992-2004 (In Constant 1998 Dollars)

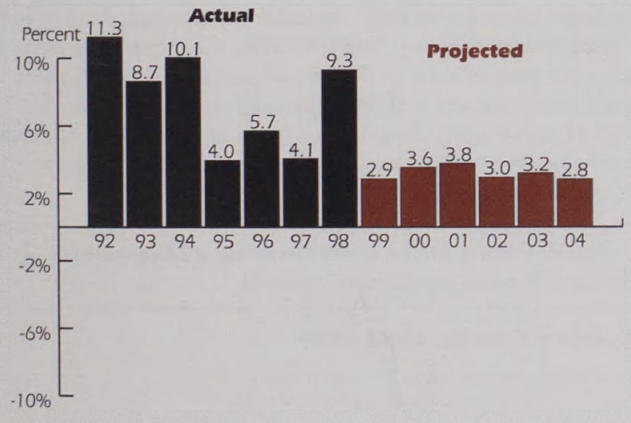
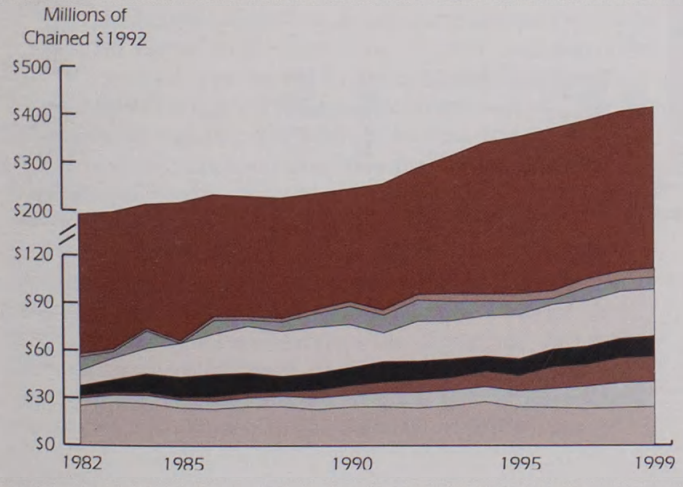
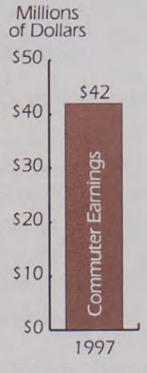


Figure 2
Monthly Unemployment Rate and Change in Monthly Employment, Ravalli County January 1991-November 1999

Figure 3
Gross County Product and Basic Industry Gross Product Ravalli County, 1982-1999



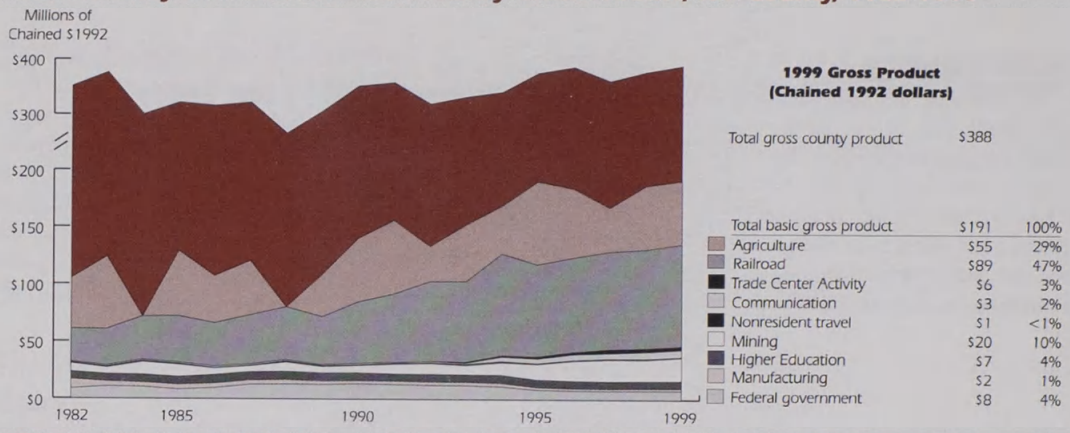


1999 Gross Product (Chained 1992 dollars)

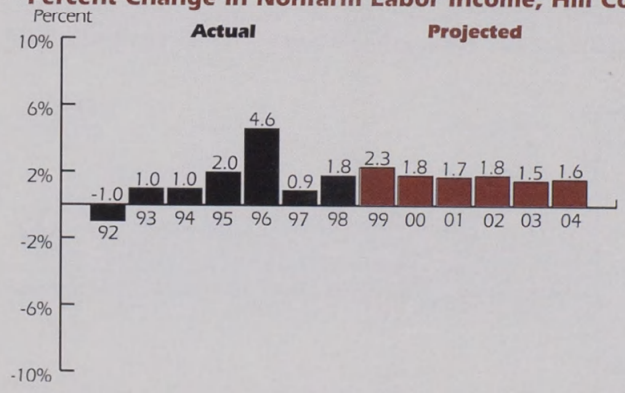
Total gross county product	$415	
Total basic gross product	$112	100%
Nonresident travel	$6	5%
Agriculture and mining	$7	6%
Wood products	$30	27%
Trucking	$13	12%
Medical research	$16	14%
Other manufacturing	$16	14%
Federal government	$24	21%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula; and Research and Analysis Bureau, Montana Department of Labor and Industry.

Gross County Product and Basic Industry Gross Product, Hill County, 1982-1999



Percent Change in Nonfarm Labor Income, Hill County, 1992-2004 (In Constant $1999)

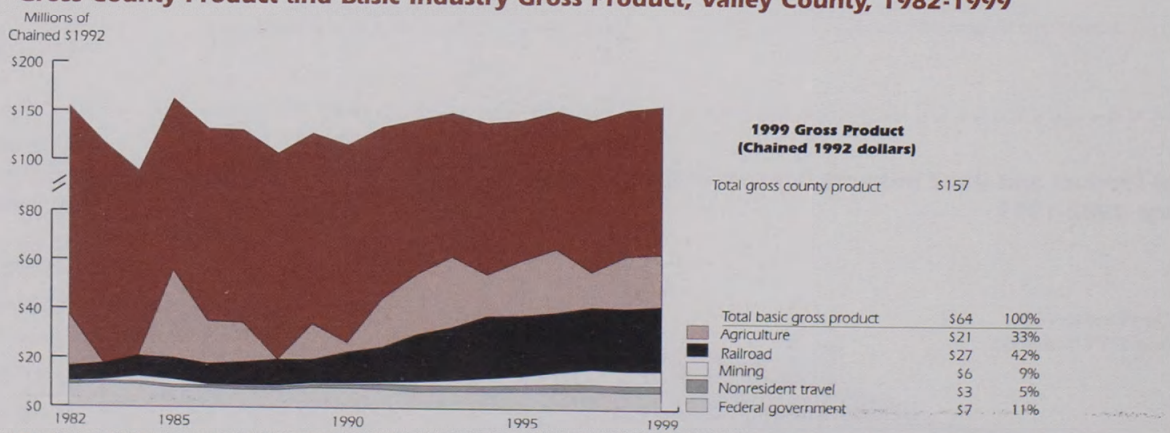


Hill and Valley County

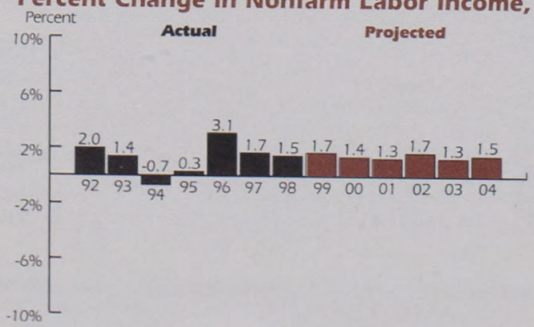
Railroads and agriculture dominate the economic base in both Hill and Valley counties. In Hill County, the recent increase in mining is primarily due to the oil and gas industry. Hill County trade center activity is mostly associated with health care. In Valley County many Glasgow merchants serve residents of nearby rural areas, but the outflow of shoppers and others is larger to Havre and even to Great Falls and Billings. ❑

Paul E. Polzin is director of The University of Montana-Missoula Bureau of Business and Economic Research.

Gross County Product and Basic Industry Gross Product, Valley County, 1982-1999



Percent Change in Nonfarm Labor Income, Valley County, 1992-2004 (In Constant $1999)

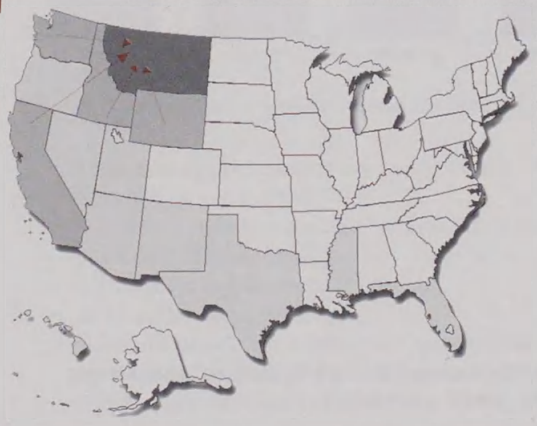


Travel and Recreation Outlook 2000:
Focusing on Demographics

by Norma P. Nickerson

Figure 1
Fastest Growing States Compared with Montana Visitor Origin

Fastest Growing States		Where Montana Summer Visitors Come From
1.	California	#2
2	New Mexico	
3.	Hawaii	
4.	Arizona	
5.	Nevada	
6.	Idaho	#3
7.	Utah	
8.	Arkansas	
9.	Florida	
10.	Texas	
11.	Wyoming	#4
12.	Washington	#1
13.	Oregon	



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

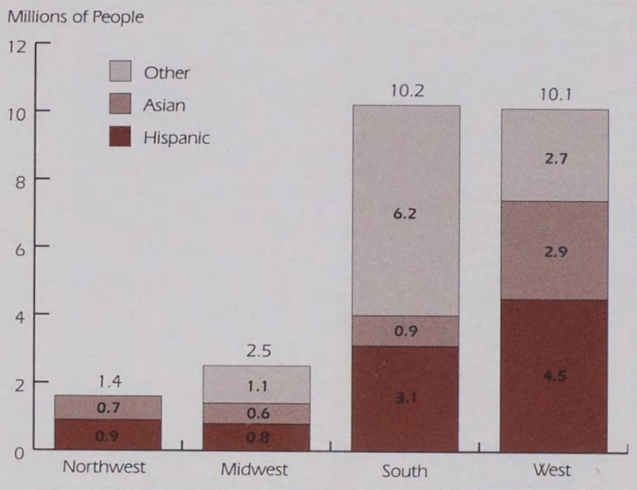
The biggest influence on domestic and international travel to and within Montana is the economic condition of the area, other states, and foreign countries. The second largest influence is regional demographic characteristics. This article explores variables that influence Montana's travel industry.

U.S. economic conditions determine the amount, type, and destination of travel by Americans. Currently, the United States is experiencing the lowest unemployment in 30 years. Inflation is low, growth in personal consumption spending will most likely continue, and real disposable income is expected to grow rapidly again in 2000 just as it has in the past few years. All these indicators show that the United States is a country where people have the money for luxury items such as travel. In these good economic times, Americans are traveling more, are traveling more by plane than in the past, and they are traveling to destinations farther away.

While the strength of an economy predicts the amount of travel, consumer demographics determine travel behavior. For example, a large portion of visitors traveling to Montana come from the fastest growing states—Washington, California, and Idaho (Figure 1). These states' growth is partly due to the increasing number of Hispanic and Asian residents, who will potentially change the visitor characteristics of Montana nonresidents (Figure 2).

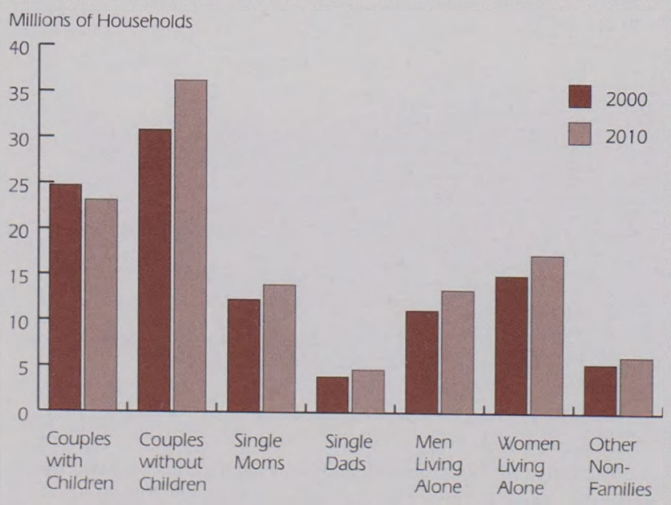
A change in the make-up and life-stage of U.S. households will have a major impact on the travel industry. The largest growth in the next 10 years—an increase of about 27 percent—will occur in the 55 and over age group. The 55-65 age cohort has time and money to spend. Their employment situation allows more vacation time, and their income is at its highest. We can expect increases in RV vacations, "once-in-a-lifetime" vacations,

Figure 2
Change in Ethnic Diversity



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

Figure 3
Population Characteristics of Childless and Single Households, 2000 and 2010



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

and more frequent, shorter vacations. The 65-80 age group has the time, the health, and the desire to travel during all seasons of the year, reducing the seasonal effect of the younger traveling public.

In the next 10 years, couples without children at home will represent the highest percent of households. Sixty percent of married couples will have no children at home, and an additional 25 percent of households will be people living alone. These households will change the travel scenes from family outings to couples traveling without children. Additionally, more people will be traveling with groups of friends either in private vehicles or through tour packages (Figure 3).

Montana Travel and Recreation Behavior Changes

Travel to Montana increased again in 1999, bringing the annual total of nonresident visitors to 9.5 million individuals and 3.9 million groups (Figure 4). Visitation in 1999 has increased by 2 percent from 1998, which recorded 9.3 million visitors and 3.8 million groups. In 1999, visitors spent a total of $1.6 billion in the state, compared with $1.56 billion in 1998.

Montana nonresident travel behavior has changed in recent years. Instead of the typical visitation centered on the national parks, nonresidents are now visiting other areas of the state, as evidenced by declining national park numbers. Yellowstone National Park had no visitation increase from last year and Glacier Park was down 8 percent.

Traffic patterns show that more nonresidents are getting off the Interstate highways and taking to the scenic secondary roadways (Figure 5). While most nonresidents are still entering Montana on the Interstate, they are then dispersing throughout the state after arrival. For example, attraction numbers have increased along roads paralleling the Lewis and Clark Trail. Surrounding areas generally experienced visitation increases, while attractions nearer Interstate highways tended to report no increase or even declines in 1999.

The trend toward exploring the backroads might be explained by the graying of America. Older America seems to have a greater interest in cultural events/sites and perusing towns and scenery away from the Interstate. The fact that they no longer have children in the backseat of the car may make this sort of travel more enjoyable.

Another indicator of a graying America is the increase in the number of people flying to Montana; Montana airport traffic was up 5 percent from 1998 (Figure 6). An older population has more time and money, enabling them to fly rather than drive.

Table 1
Montana Resident Trip Activities

Day Trips	Montana Overnight	Trips Out of Montana
History/Culture	Day Hike	History/Culture
Day Hike	History/Culture	Sporting Event
Nature Photo	Fishing	Nature Photo
Special Event	Nature Photo	Day Hike
Fishing	Sporting Event	Special Event
Sporting Event	Special Event	Boating

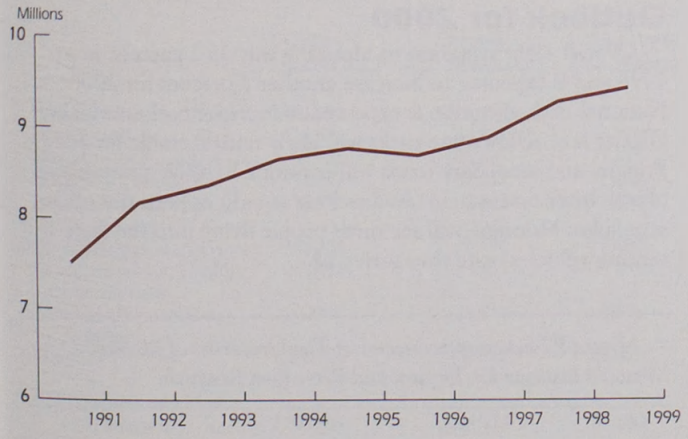
Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

Another increase is skier visits for the 1998-99 season; these figures were up 9 percent from the previous season. This increase nearly makes up for the 11 percent decline in 1997-98, putting skier visits at the second highest level behind 1996-98.

Other travel facts include:

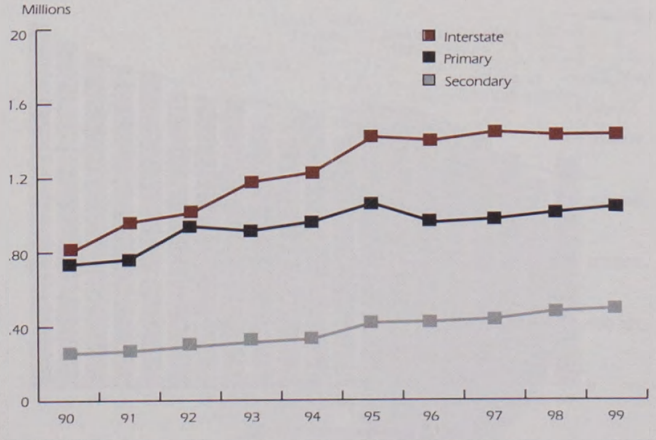
- 75 percent of Montanans take pleasure trips in a year.
- 44 percent of pleasure trips are day trips (spending $20/trip).
- 29 percent are overnight trips in Montana (spending $65/trip).
- 27 percent of pleasure trips are to destinations outside of Montana (spending $285/trip).
- Montana residents spend $962 million on pleasure travel annually (9.5 percent of household income).
- $707 million is spent outside the state.
- $255 million stays in Montana.
- Residents participate in history/culture and day hiking while traveling in Montana and history/culture and sporting events while traveling in other states.

Figure 4
Nonresident Travel to Montana



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

Figure 5
Average Annual Traffic on Montana Roadways



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

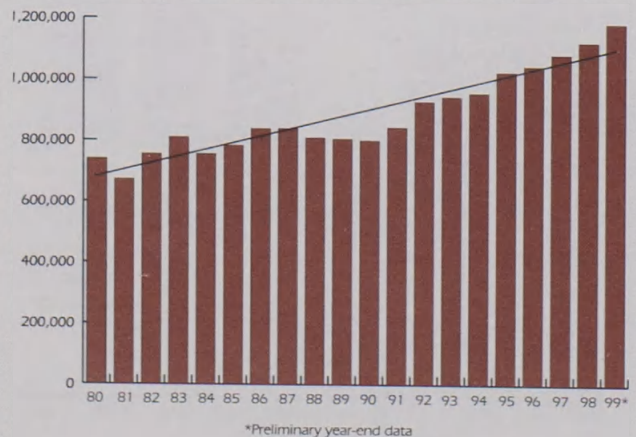
Table 2
Visitation Changes at Selected Montana Attractions

Location	Number of Visitors 1999	1998	1999 % Change
Glacier Country	**239,634**	**238,645**	**0%**
National Bison Range	191,200	187,800	2%
Historical Museum at Fort Missoula	40,000	42,000	-5%
Marcus Daly Mansion	8,434	8,845	-5%
Flathead Lake State Park System	*	*	*
Russell Country	88,957	**87,504**	**2%**
Lewis & Clark Interpretive Center	88,957	87,504	2%
Ulm Pishkun State Park	*	*	*
Missouri River Country	**323,441**	**282,933**	**14%**
Fort Union Trading Post	*	*	*
Fort Peck Lake	323,441	282,933	14%
Custer Country	**674,149**	**705,682**	**-4%**
Bighorn Canyon National Recreation Area	227,753	279,637	-19%
Little Bighorn Battlefield	396,396	370,045	7%
Makoshika	50,000	56,000	-11%
Yellowstone Country	**123,000**	**115,000**	*
Museum of the Rockies	123,000	115,000	7%
Gold West Country	**429,792**	**405,097**	**6%**
Lewis & Clark Caverns	52,601	55,114	-5%
Bighole National Battlefield	58,090	61,108	-5%
Grant-Kohrs Ranch	23,601	25,374	-7%
Montana Historical Society	83,000	74,704	11%
Bannack State Park	29,000	28,400	2%
C.M. Russell Museum	58,500	60,397	-3%
Clark Canyon Reservoir	125,000	100,000	25%
Statewide (includes above attractions only)	**1,878,973**	**1,834,861**	**2%**

* Visitor attendance not recorded

Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

Figure 6
Total Annual Montana Airline Deplanements



Source: Institute of Tourism and Recreation Research, The University of Montana-Missoula.

Outlook for 2000

Overall 1999 visitation to Montana was up 2 percent from 1998 and is expected to increase another 2 percent for 2000. National Park visitation is expected to increase nationwide, but Glacier and Yellowstone parks will likely remain stable for 2000. Primary and secondary roads will continue to draw nonresidents off the Interstate system. And as long as airlines keep their flight schedules, Montana will see more people flying into the state and renting vehicles once they arrive.❑

Norma P. Nickerson is director of The University of Montana-Missoula Institute for Tourism and Recreation Research.

Health Care and Financial Services

by Steve Seninger

Senior consumers will dramatically alter Montana industry, specifically health care and financial services. Demand for health care will increase as the population ages, and the financial services industry will focus progressively more on Baby Boomers, seniors, and the large share of income and savings they bring into financial markets. Senior marketing will become increasingly important as businesses and industry try to influence boomer spending.

Health Care Services

The national health care bill is projected to top $2 trillion by the year 2007—three years before the demographic impact of boomers is noticeable. It is important to recognize that boomers are currently intensive users of medical services, driving up demand and spending on health care services. Preventative and maintenance health care, which leads to longer life expectancies, is important to this group. In 10 years, Baby Boomers will start using Medicare, and by 2030, Medicare enrollment will be at 75 million people.

The cumulative impact of aging boomers on health care spending and on the Medicare program depends on mortality rates and the incidence of disability among the elderly. Mortality rates experienced the biggest percentage rate of decline in the 1960s and 1970s, suggesting a possible biological limit on life expectancy of 85 years and older. The incidence of disability is significant because frail or chronically ill elderly people require outpatient or institutional care.

Montana's health care industry has grown during the 1990s, and we can expect increased demand and spending in the future. Total revenue for 1997 was almost $2.3 billion, with a payroll of over $1 billion and nearly 38,000 jobs. This made health care one of the largest employers in Montana's economy (Table 1).

Hospitals account for more than half of the sales, payrolls, and jobs in the health care industry (Figure 1). And most of health care business is concentrated in the urban trade centers of Billings, Missoula, and Great Falls.

Health care is geographically accessible to the majority of Montana's elderly population because it is concentrated in the urban areas (Table 2).

Billings will continue to be the major regional health care market in the state. Billings hospitals served more than 20 percent of all inpatients in 1997, compared to Missoula (15 percent) and Great Falls (15 percent).

Rural health-care markets continue to have higher bed capacity. Rural centers have 20 percent of the inpatient hospital beds in Montana, 13 percent of the patients, and only 11 percent of all revenue. The disparity between rural shares of bed capacity and of revenue means a continued financial squeeze on rural hospitals and health providers, making access to health care by rural elderly a problem.

Nursing homes and assisted living homes with doctors on the premises will be a growing component of the health care industry.

Banking and Financial Services

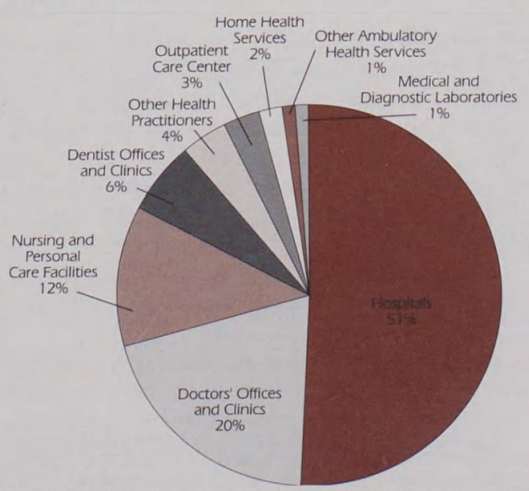
Baby Boomers and people 65 years and older with their significant savings are now, and will continue to be, a major force in banking and financial services markets for the next 40 years. The over-50 senior market segment owns 60 percent of all

Table 1
Montana's Health Care Industry, 1997

	Sales (Thousands of $)	Payrolls (Thousands of $)	Number of Full-and Part-Time Workers
Doctors' Offices & Clinics	$443,150	$319,899	4,389
Dentists' Offices & Clinics	138,694	47,803	2,075
Other Health Practitioners	82,921	24,275	1,285
Outpatient Care Centers	71,312	32,252	1,463
Medical & Diagnostic Laboratories	15,172	5,639	236
Home Health Care Services	48,354	27,671	2,680
Other Ambulatory Health Care Services	12,471	4,451	281
Nursing & Personal Care Facilities	260,357	129,011	8,356
Hospitals	1,200,000	453,772	16,885
Totals for Montana Health Care Industry	2,272,431	1,044,773	37,650

Source: U.S. Bureau of the Census.

Figure 1
Montana Health Care Revenues, 1997



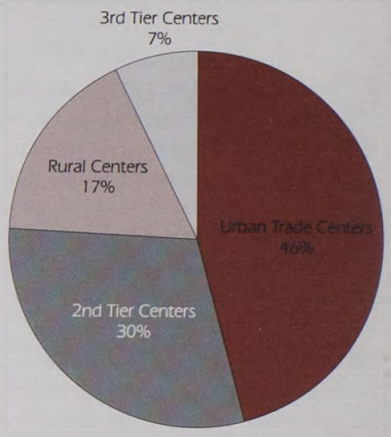
commercial bank deposits and 80 percent of all thrift deposits. Some important demographic trends in banking and financial services are:

- The median financial assets of people 55 years and older are $200,000.
- Financial marketing throughout Montana and the nation is heavily targeted to those in the preretired age group of 50 to 65 who have a significant amount of accumulated wealth and are still earning income. Banks often have active senior clubs, and average savings balances of club members are more than $20,000.
- Marketing to the preretired age group includes free, interest-bearing accounts; CDs at slightly higher rates with non-penalty fee access for medical emergencies; and "senior rewards." The emphasis is on personal touch services from well trained, competent, and friendly bank employees.

An interesting connection exists between health care and financial services. The higher life expectancy for females than males means that a greater number of older women with money and assets will be looking for investment opportunities. Life expectancies and improved health care will also have an impact on consumption. Today's seniors, who are in better health and have longer life expectancies than their predecessors, typically subtract 10 to 12 years from their actual age when asked how they feel. This perspective shows up in their consumption patterns; the over-50 group is interested in big-ticket items such as travel, vacation homes, luxury cars, and Winnebagos.

Total revenue in the banking industry was $1.7 billion in 1997—the most recent data available from the U.S. Census Bureau. Commercial banks accounted for 44 percent of industry revenue, savings and credit union institutions accounted for another 16 percent, and insurance companies represented 20 percent of industry revenue. Banking and financial services employed almost 13,000 workers, making it a smaller job sector than health care services.

Figure 2
Trade Centers as a Percentage of Montana Total: Banking and Financial Services, Payroll 1997



Source: U.S. Bureau of the Census

Outlook

The aging of Montana and the impact of Baby Boomers on banks and financial service institutions will be concentrated in urban markets. Increased demand on banking and financial services by an aging population will stimulate the number of firms, workers, and payrolls in this industry. Boomers looking for second homes and investments outside of the stock market will look at land investments in Montana and other rural states in the West.❑

Steve Seninger is director of economic analysis at The University of Montana-Missoula Bureau of Business and Economic Research.

Table 2
Hospital Sales, Payrolls, and Employment by Region for Montana, 1997

	Revenue (Millions of $)	Payrolls (Thousands of $)	Number of Full- and Part-Time Workers
State Totals	1,200	404,916	15,310
Eastern Region			
Urban Trade Center-Billings	320.4	85,973	3,460
Second Tier-Bozeman	36	13,854	471
Third Tier Centers	33.6	10,495	534
Rural Centers	63.6	40,701	1,845
Western Region			
Urban Trade Center-Missoula	189.6	62,789	2,013
Second Tier-Butte/Anaconda	72	17,694	601
Second Tier-Kalispell	105.6	32,400	1,113
Third Tier Centers	30	13,145	507
Rural Centers	46.8	32,726	1,273
North Region			
Urban Trade Center-Great Falls	169.2	54,882	1,856
Second Tier-Helena	69.6	24,221	558
Third Tier-Havre	39.6	16,036	504
Rural Centers	24	8,446	575

Source: Unpublished data, Montana Department of Health and Human Services; U.S. Bureau of the Census; Bureau of Business and Economic Research, The University of Montana-Missoula.

Table 3
Montana Banking, Insurance, and Financial Services: Revenue, Payrolls, and Employment, 1997

	— Thousands of $ — Revenue	Payroll	Number of Workers
Federal Reserve & other Monetary Authorities	7,209	4,118	137
Commercial Banking	740,674	133,712	4,752
Savings Institutions	151,275	20,546	820
Credit Unions	116,002	16,179	817
Sales Financing	52,716	3,141	98
Other Nondepository Credit Intermediation	129,895	20,712	734
Mortgage & Nonmortgage Loan Brokers & Other Activities	7,788	3,227	121
Securites Commodity Contracts Intermediation & Brokerage	118,226	47,142	750
Other Financial Investment Activites	46,042	7,509	247
Insurance Carriers, Agencies, & Other Related Activities	331,883	110,539	4,105
Totals for Montana Banking, Insurance, Finance Services	1,701,710	366,825	12,581

Source: Bureau of the Census

Agricultural Forecast

by Myles Watts

While individual agricultural commodity markets continue to be volatile, total Montana agricultural receipts have been unusually stable for the past 10 years. As presented in Table 1, total agricultural receipts ranged from about $2.2 billion to $2.4 billion. Furthermore, the low years of 1991, 1995, and 1998 were well-spaced, with intervening years usually exceeding $2.3 billion.

Cattle, wheat, and barley comprise about 80 percent of the state's agricultural receipts. During the 1990s, Montana livestock market receipts ranged from a low of $836 million to a high of $1.2 billion, with cattle generating 80 percent of those receipts. The fluctuations in receipts are primarily a reflection of cattle prices.

Over the past 10 years, crop market receipts (generated mainly by wheat and barley) have ranged from $789 million to $1.2 billion, with the lows occurring in 1989 and the highs in 1996. These fluctuations reflect variations in prices and yields.

Unlike total agricultural receipts, the lower crop revenue years were bunched together. Between 1989 and 1993 and between 1998 and 2000, crops generated less than $1 billion per year. This clustering of low-revenue years causes financial stress and social hardship.

In the more recent years, higher government payments have offset much of the decline in crop receipts. Government payments in 1999 are expected to be about $500 million, or a little more than 20 percent of the total agricultural receipts. In 1998, 1999, and for year 2000, Congress provided supplemental payments beyond the transition payments.

Cattle, wheat, and barley will continue to dominate Montana's agricultural economy into the near future. Usually wheat and barley price movements are highly correlated since they are such close substitutes in production. Therefore, only wheat and cattle prices will be discussed.

Table 1
Montana Agricultural Receipts
(Millions of 1999 Dollars)

Year	Market Receipts		Government Payments	Total Receipts
	Livestock	Crops		
1989	1,220	789	369	2,378
1990	1,039	931	367	2,337
1991	944	859	377	2,180
1992	1,045	998	343	2,386
1993	1,059	959	378	2,396
1994	931	1,129	279	2,339
1995	852	1,151	203	2,206
1996	836	1,261	252	2,349
1997	992	1,088	237	2,317
1998	880	951	364	2,195
1999	930	880	500	2,310
2000	980	882	490	2,352

Source: U.S. Department of Agriculture

Wheat

Wheat prices continue to be depressed by high production, high stocks, and weak export demands. Even though Kansas, a major wheat-producing state, is short of moisture, worldwide growing conditions are conducive to a third consecutive year of unusually strong yields and thereby, high production. As such, wheat prices will remain in the $2.50 range for standard-quality wheat. Montana raises high-protein wheat, and this past year, producers of particularly high-protein wheat received as much as $1 per bushel price premium. It is too early to predict whether similar premiums will be available in the fall of 2000.

In the longer term, Montana has a comparative advantage because the state's land and climate are conducive to wheat production. Additionally, the technology is customized to the region and the infrastructure is in place. Therefore, wheat will continue to be Montana's dominant crop.

Cattle

Feeder cattle prices increased $8 to $10 cwt in 1999 over 1998 and are expected to increase another $6 to $8 cwt in 2000. U.S. beef production has declined from 1998 to 1999, and a modest decline is expected in 2000. Beef production is expected to remain lower through 2002 and then to increase. The lower beef production should sustain the higher prices through 2002.

In the longer term, U.S. beef producers—and particularly Montana feeder cattle producers—are well positioned to take advantage of liberalized beef trade. Montana has a quality beef genetic pool from which to produce feeder cattle. Among the western states, Montana's grazing resource is of high quality. In fact, Montana has the highest private grazing fee of any western state except California. The Corn Belt continues to produce large volumes of inexpensive feed to finish the cattle.

In my opinion, the only potential for expansion of the beef market is from international market expansion. The domestic market will be depressed by an aging domestic population—older people eat less red meat. However, the reduction of trade barriers and increasing personal incomes, particularly in Pacific Rim countries, will expand the market for high-quality fed beef which the United States produces so well. Recent positive signals include the process of including China in the World Trade Organization (WTO). China's large population, and the expectation of rapidly-increasing Chinese personal incomes, have the potential of continuing to enhance the U.S. beef market.

International Trade

The U.S. exports about 50 percent of the wheat, 21 percent of the feed grains, and 8 percent of the beef production. Obviously, the loss of wheat or feed grain international markets would be disastrous. Since we are major exporters, other countries are our customers. As is the usual case in business, we may wish to pursue strategies to enhance these markets and not discourage customers. Often, arguments over fair versus free trade are bandied. Usually the argument is that the European Union is viewed as the major culprit with high guaranteed domestic prices, large tariffs, and export subsidies to dispose of surplus agricultural production. However, the WTO analysis indicates that the U.S. agricultural policies are the most trade-distorting of any major international agricultural market participant. The distortions are of various forms, including: transition payments, disaster payment, loan deficiency payments, subsidized crop insurance, import quotas on selected products, and export enhancement programs.

Primarily because of recent movement toward increased freer agricultural trade, I am optimistic about the future of Montana's agricultural economy. Montana feeder cattle and wheat producers should benefit from the liberalized trade and increased market access.❑

Myles Watts is the department head of Agricultural Economics and Economics at Montana State University-Bozeman.

Manufacturing in Montana

by Charles E. Keegan III, Robert Campbell, Michael J. Mortimer, and John Baldridge

Both nationally and in Montana, the manufacturing sector includes traditional heavy industries as well as a broad array of other activities ranging from the production of very complex and sophisticated high technology equipment to cottage industries producing hand-made items like jewelry or sporting goods. In contrast to the national trend of declining employment in manufacturing over the past decade, Montana's manufacturing employment has increased by about 15 percent in the 1990s.

The state's manufacturing sector:

- Produces approximately $5 billion in output annually,
- Directly employs nearly 30,000 workers earning more than $900 million in annual labor income,
- Includes over 2,000 entities such as factories and plants, logging companies, and at-home cottage industries.
- Accounts for 20-25 percent of Montana's economic base (see page 10 for more information.)

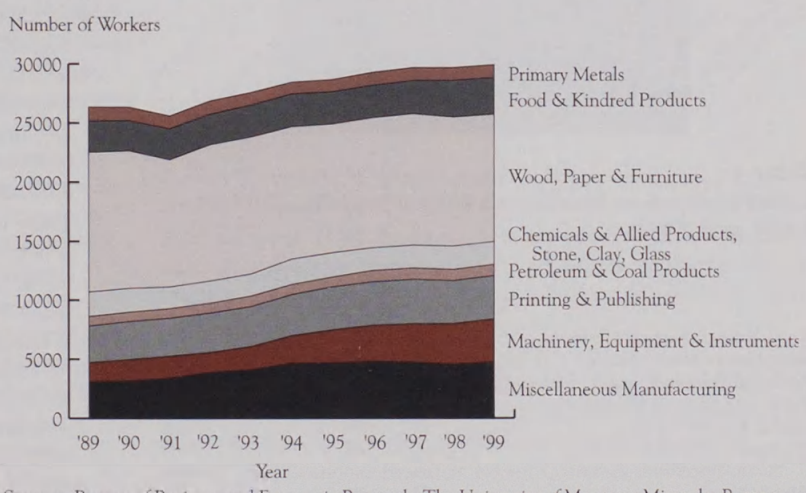
Current Market Conditions

Market conditions in 1999 were substantially better than in 1998 due to a continued very strong U.S. economy and improving conditions in much of the world. Prices for most goods produced in Montana declined substantially in the last half of 1997 and through 1998, as economic problems in Japan and other Asian countries worsened and spread to other parts of the world. Montana's manufacturers experienced some layoffs and curtailments during 1998 due to lower prices.

The feared large-scale declines of 1999 did not materialize, and with much better than expected domestic and global economic conditions, virtually all of Montana's manufacturing sectors reported higher prices in 1999.

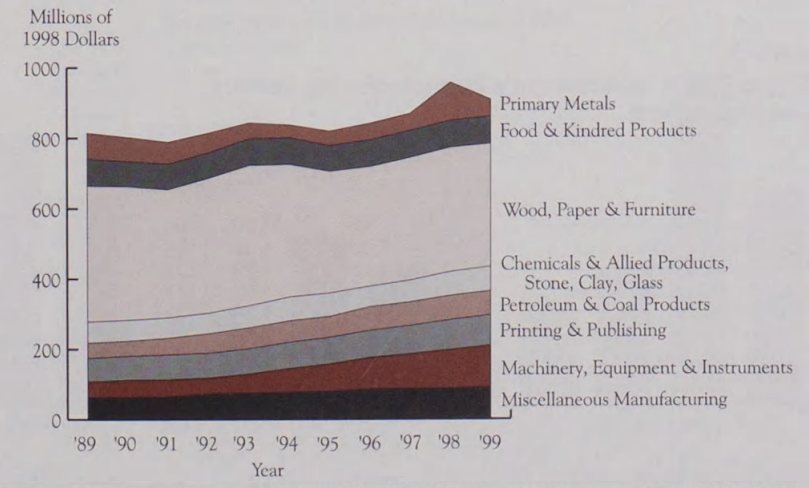
Sales value of all products manufactured in Montana was up several hundred million dollars to approximately $5 billion in 1999. Although there were some layoffs—due to conditions specific to

Figure 1
Montana Manufacturing Employment, 1989-1999



Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

Figure 2
Labor Income in Montana Manufacturing Industries, 1989-1999



Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

individual plants or to other factors such as declining national forest timber availability—overall manufacturing employment was up slightly.

Earnings of manufacturing workers were about $910 million in 1999, down from $960 million in 1998. However, the 1998 figure included a one-time $65 million dollar payment to Columbia Falls Aluminum Co. workers settling a labor agreement (Figure 2).

Outlook

Market conditions should remain favorable in 2000, and we expect manufacturing activity to continue to increase in Montana.

Major capital expenditures or new facilities are underway in almost all sectors.

Some factors that give rise to risk, or at least uncertainty, and bear watching are:

- Declining timber availability from national forests continues to be a major problem for the wood products industry.
- There have been several mergers and acquisitions of major Montana companies in the last year. While this adds a level of uncertainty, it can be positive if the new organization chooses to strengthen its Montana facilities.
- While Montana has attracted some facilities based on its workforce and the owners' desires to live in the state, we continue to be susceptible to jobs going to areas with lower operating costs or better access to infrastructure, markets, or capital.

Table 1
Labor Income in Montana's Manufacturing Sectors, 1989 and 1999

	Millions of 1998 Dollars			
	1989		1999	
Wood, Paper, & Furniture Products	$387	47%	$351	39%
Miscellaneous Manufacturing*	63	8%	92	10%
Printing & Publishing	67	8%	86	9%
Machinery, Equip. & Instruments	44	5%	118	13%
Food & Kindred Products	76	9%	77	8%
Chemicals & Allied Products, Stone, Clay, Glass	60	7%	69	8%
Primary Metals	74	9%	48	5%
Petroleum & Coal Products	44	5%	69	8%
All Manufacturing	815	100%	908	100%

*Miscellaneous Manufacturing includes mostly light manufacturing such as sporting goods, musical instruments, games and toys, and jewelry, but it also includes such things as fabricated metals.

Table 2
Employment in Montana's Manufacturing Sectors, 1989 and 1999

	Number of Workers			
	1989		1999	
Wood, Paper, & Furniture Products	11,841	45%	10,752	36%
Miscellaneous Manufacturing*	3,098	12%	4,762	16%
Printing & Publishing	3,085	12%	3,644	12%
Machinery, Equip. & Instruments	1,628	6%	3,634	12%
Food & Kindred Products	2,643	10%	3,094	10%
Chemicals & Allied Products, Stone, Clay, Glass	2,088	8%	1,989	7%
Primary Metals	1,168	4%	1,095	4%
Petroleum & Coal Products	791	3%	941	3%
All Manufacturing	26,342	100%	29,913	100%

*Miscellaneous Manufacturing includes mostly light manufacturing such as sporting goods, musical instruments, games and toys, and jewelry, but it also includes such things as fabricated metals.

Table 3
Manufacturing Labor Income Among Montana Counties, 1997

	1997 Manufacturing Labor Income (Millions of 1998 Dollars)	Percent of State's Manufacturing Labor Income
Flathead	177	20%
Yellowstone	151	17%
Missoula	131	15%
Gallatin	82	9%
Cascade	39	5%
Lincoln	38	4%
Lewis & Clark	37	4%
Ravalli	35	4%
Lake	27	3%
Silver Bow	19	2%
Park	15	2%
Powell	13	1%
Richland	11	1%
Broadwater	9	1%
Stillwater	9	1%
Remaining 41 Counties	76	9%
State Total	869	100%

Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

New Survey

Because manufacturing in Montana is growing and significant components of this sector include high-paying jobs, the Bureau of Business and Economic Research, along with Montana Business Connections, will be expanding coverage of manufacturing industries. A newly-developed survey, which we plan to conduct annually, will ask manufacturers a series of questions about their firms. Questions will run the gamut from current business conditions to expectations for the future. Following are results from this January's inaugural survey of 100 of the state's largest manufacturers.

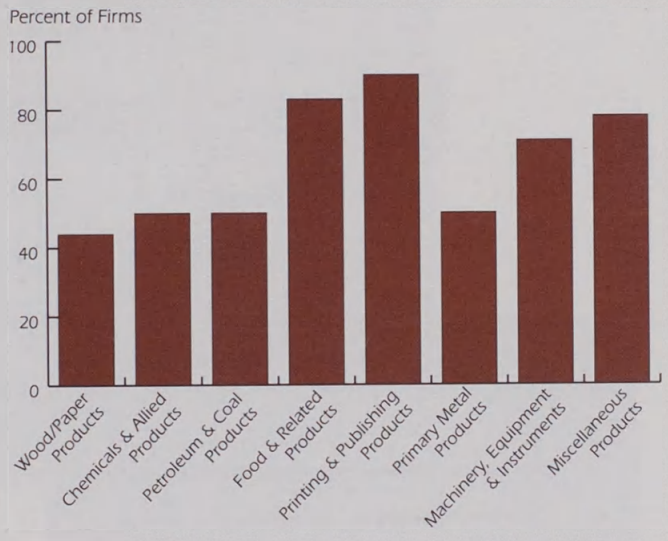
The survey found that the outlook of manufacturers for 2000 is generally positive, though some sectors reported difficulties. When queried about the overall outlook for their plants in 2000, 85 percent believed their situation would be the same or better than in 1999.

Sixty-nine percent of the firms expected increases in gross sales and 66 percent planned capital expenditures this year. Thirty percent expected increased employment, while only 13 percent of the respondents expected a decline in the number of employees in 2000.

The manufacturing sectors most anticipating increased sales were printing and publishing and food related products (Figure 1). Over half of the largest facilities in all eight categories expected major capital expenditures in 2000 (Figure 2) and more than half of manufacturers of machinery, equipment, and instruments expected increased employment (Figure 3).

The 15 percent of manufacturers predicting a worse situation in 2000 were primarily in wood products. Availability of raw materials presented a notable concern for the wood products industry, with nearly 30 percent of respondents expecting a decrease and potential negative impacts on their operations. Respondents attributed the shortage to a reduced availability of timber from public lands.

Figure 1
Plants Expecting an Increase in Gross Sales for Calendar Year 2000



The advent of electronic commerce has not gone unnoticed among survey participants. Eighty-five percent of the plants reported using e-business methods to operate their businesses; 92 percent of the plants expected to use e-business methods in the future. Look for more on this in upcoming *Montana Business Quarterly* articles.❑

Charles E. Keegan III is director of forest industry research, Michael J. Mortimer is a policy analyst, and John Baldridge is director of survey development at The University of Montana-Missoula Bureau of Business and Economic Research. Robert Campbell is director of Montana Business Connections.

Figure 2
Plants Expecting To Make Major Capital Investments in Calendar Year 2000

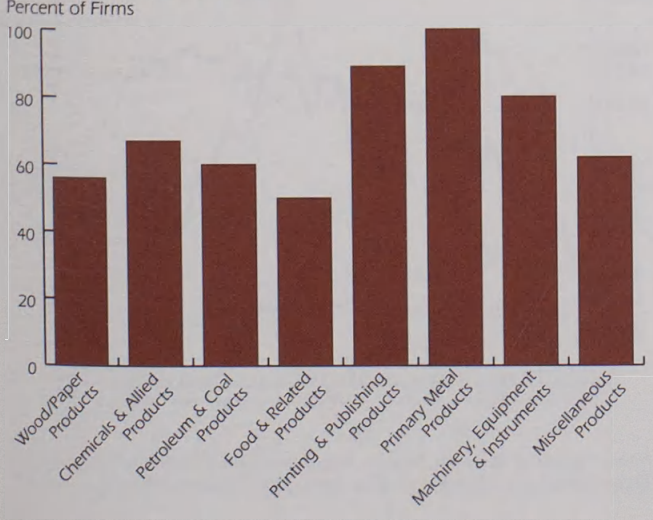
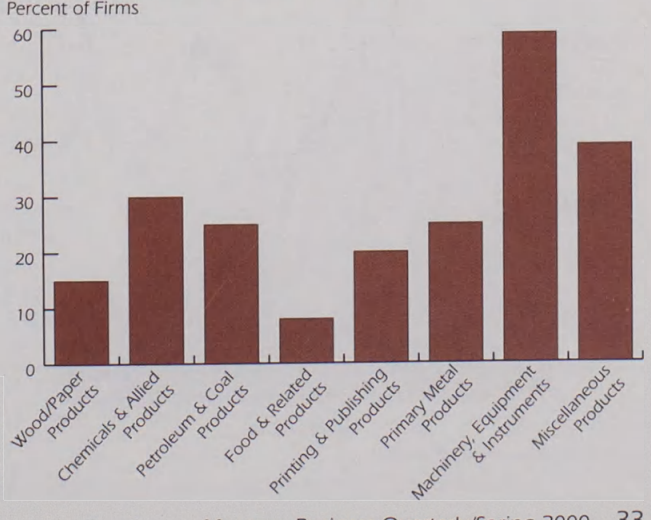


Figure 3
Plants Expecting an Increase in the Number of Employees in Calendar Year 2000



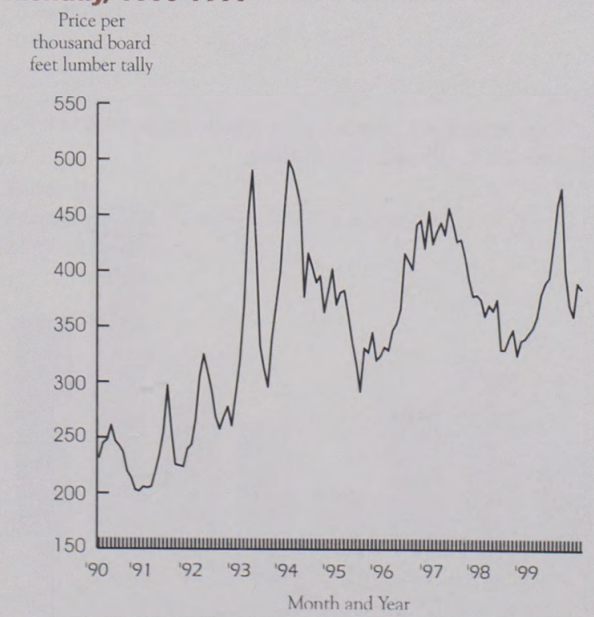
Montana's Forest Products Industry

by Charles E. Keegan III, Steven R. Shook, Francis G. Wagner, Keith A Blatner

Market Conditions

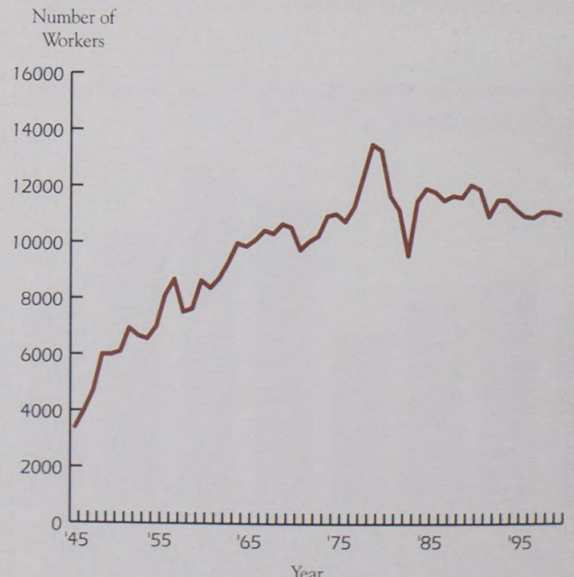
Wood and paper products markets in 1999 were substantially improved over 1998 (Figure 1). With a stronger than expected U.S. economy and modest improvements in the global economy, wood and paper product prices increased dramatically during the first half of 1999. In July 1999, lumber prices were near record levels and 40 percent higher than they were in July 1998. Lumber and plywood markets remained extremely volatile, and in late July, prices turned sharply downward and fell steadily before rebounding in November and December. On balance, however, lumber and plywood prices were 10 to 20 percent higher in 1999 than in 1998.

Figure 1
Nationwide Composite Lumber Prices Monthly, 1990-1999



Source: Random Lengths Publications.

Figure 2
Montana Forest Industry Employment, 1945-1999



Source: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

1999 Employment, Production, and Sales

Driven by higher prices, value of production and output from Montana's mills increased from 1998 levels. Total sales value of primary wood and paper products in 1999 was nearly $1.3 billion, up from $1.2 billion in 1998 (Figure 4).

Estimated forest industry employment for 1999 was 11,000 workers—down about 100 workers from 1998 (Figure 2). The decline was due primarily to the shutdown at the Darby Lumber mill in 1998. Remaining mills increased production, leading to an overall statewide rise in production. The rise is due primarily to increased recovery and capacity utilization at remaining mills.

Montana's lumber production was 1,361 million board feet

Figure 3
Montana Lumber and Plywood Production, 1945-1999

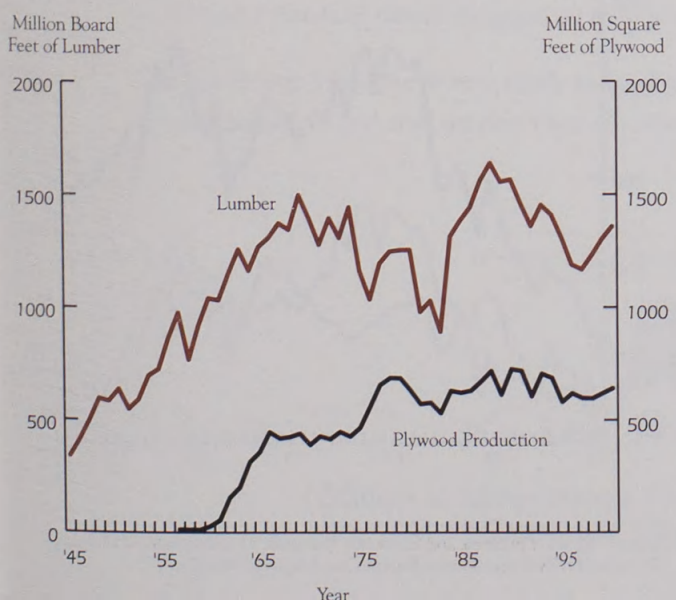
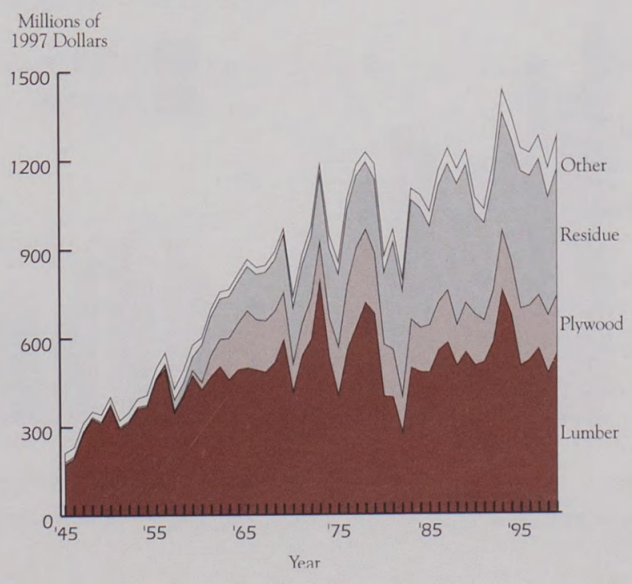


Figure 4
Sales Value of Montana's Wood and Paper Products, 1945-1999



Source: American Plywood Association; Bureau of Business and Economic Research, The University of Montana-Missoula; Western Wood Products Association.

(MMBF) in 1999, up from 1,304 MMBF in 1998(Figure 3).

Plywood production has increased from 618 million square feet to 632 million square feet (Figure 3). Production from paper, log homes, and most other manufacturers was higher in 1999 than in 1998.

Outlook

Because of somewhat lower levels of U.S. housing starts, lumber and plywood producers expect slightly lower, but more stable, prices in 2000. With a still strong domestic economy and increased international demand, other producers believe prices will be equal to, or slightly higher than 1999 prices.

Timber availability remains the major concern of Montana's industry. For example, American Timber, a large sawmill in northwestern Montana, recently announced a July 2000 closure due to a lack of national forest timber sales.

Montana's increased production in 1999 was fueled in part by importing raw logs. Even with much stronger markets, national forest timber offerings have fallen to their lowest level since at least the 1940s (Figures 5 and 6). The declines are due to threatened and endangered species protection, litigation and appeals, and cumulative impacts of past harvesting, as well as U.S. Forest Service budget levels.

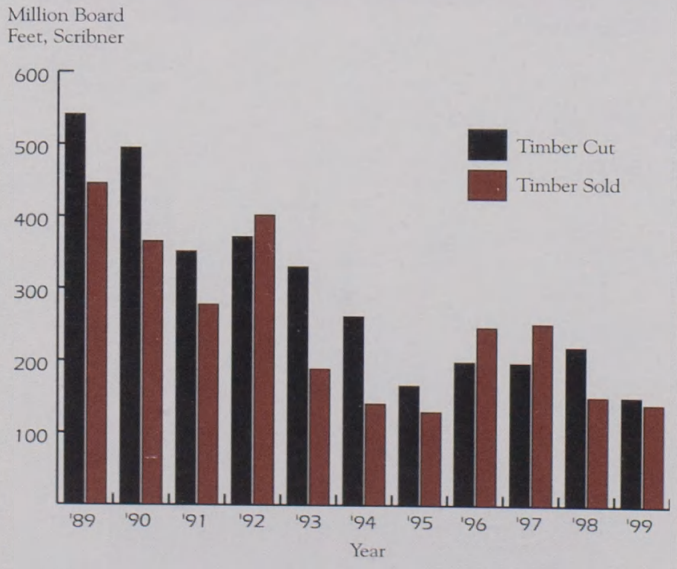
Non-federal timberlands are being harvested at near or above long-term sustainable levels, and large harvest increases cannot be expected. The level of harvest from federal lands — in particular the national forests — will be a major factor in determining the size and structure of Montana's forest products industry in the foreseeable future.

Looking at the near term, additional listings of threatened and endangered species, a nearly unworkable legal and administrative framework, and disruption of existing and proposed sales due to the roadless area review, make it likely that national forest timber sale volumes will decline further in the year 2000. This will lead to increased pressure on other ownerships and potentially to additional mill closures.

On the other hand, the fact that harvest on the national forests is only a fraction of growth, the need to undertake active management to improve forest ecosystem health, and continued high timber values, could eventually lead to increased timber harvests from national forests relative to the recent past.❑

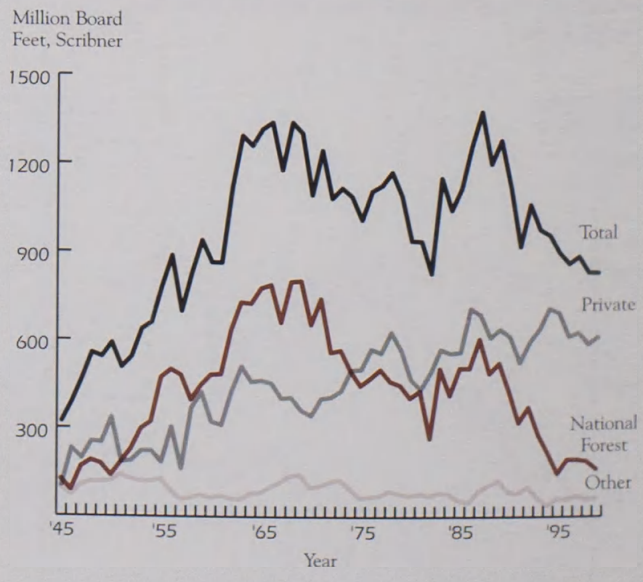
Charles E. Keegan III is director of forest industry research at The University of Montana-Missoula Bureau of Business and Economic Research; Steven R. Shook is assistant professor of forest products marketing at the University of Idaho, Moscow; Francis G. Wagner is professor of forest products at the University of Idaho, Moscow; Keith A. Blatner is a professor in the Department of Natural Resource Sciences at Washington State University, Pullman. The annual analysis of Montana's forest products industry is part of an ongoing cooperative research project among the three institutions.

Figure 5
Montana National Forest Timber Cut and Sold Volumes, Fiscal 1989-1999



Source: USDA Forest Service Region One, Missoula, Montana.

Figure 6
Montana Timber Harvest by Ownership, 1945-1999



Source: Bureau of Business and Economic Research, The University of Montana-Missoula; USDA Forest Service Region One, Missoula, Montana.

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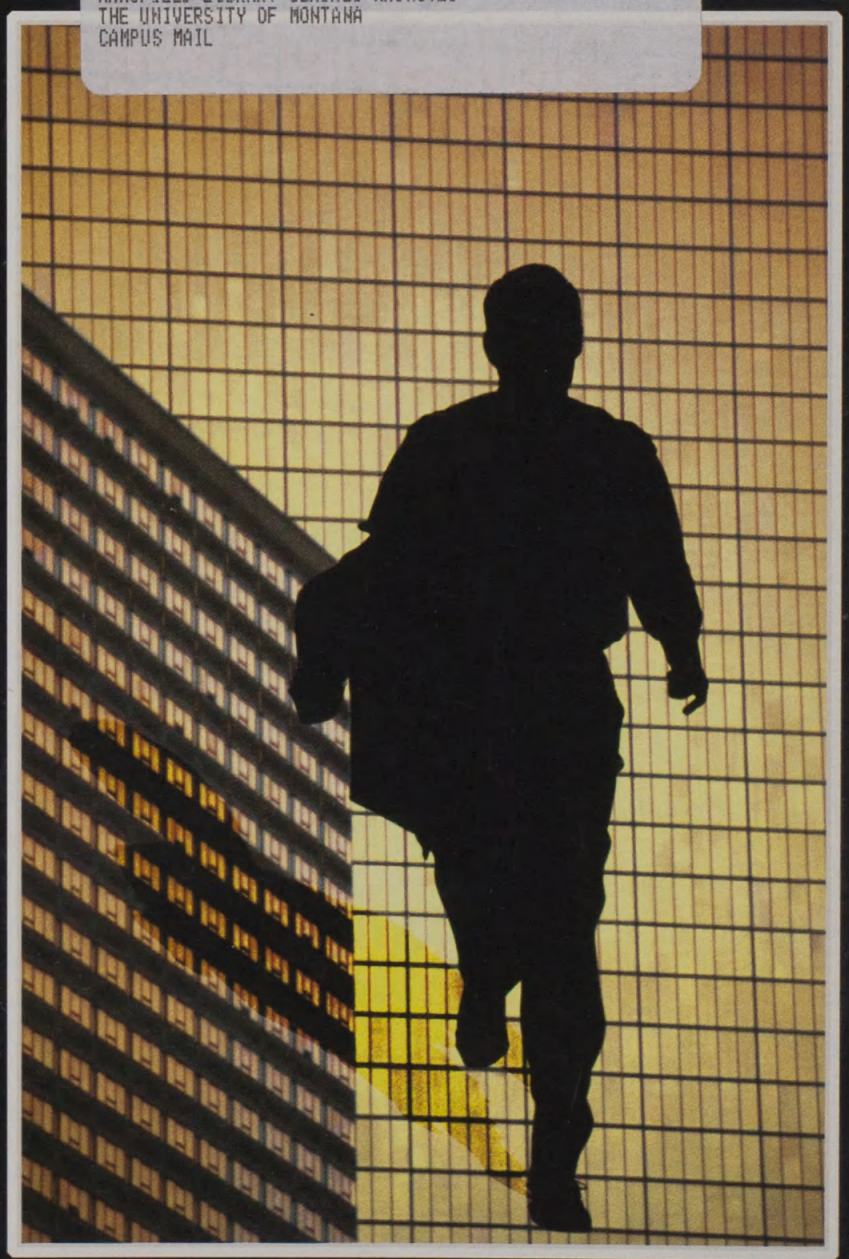

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